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The Global Newspaper
Edited and Published in Paris
Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, Miami.

International Herald Tribune

Published With The New York Times and The Washington Post

Algeria 6.00 Dis. Iran 115 Rials Oman 0.900 Rials
Austria 22 S. Israel NIS. 2.00 Portugal 110 Esc.
Bahrain 0.700 Din Italy 1,700 Lire Qatar 6.50 Rials
Belgium 49 B.Fr. Jordan 450 Fils Rep. of Ireland 70 P.
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Great Britain 80.55 Netherlands 2.50 fl. U.S. Mil. (Eur.) $0.85
Greece 100 Dr. Norway 7.50 N.Kr. Yugoslavia 560 D.

32,200 36/86 ** PARIS, MONDAY, SEPTEMBER 1, 1986 ESTABLISHED 1887

Chirac Says Hawke's Position On New Caledonia Is 'Stupid'

By Michael Richardson
International Herald Tribune

SYDNEY. — The dispute between France and Australia over the future of New Caledonia has reached the level of the countries' prime ministers, with Jacques Chirac of France describing recent comments by Bob Hawke of Australia as "very stupid."

Speaking in the French territory during a two-day visit, Mr. Chirac also said he would welcome a change of government in Australia.

He was reacting to Mr. Hawke's appeal not to curtail plans for self determination in New Caledonia.

Mr. Chirac said Mr. Hawke showed a "complete misunderstanding" of the issue of independence for New Caledonia.

In a statement Sunday, Mr. Hawke responded that he was surprised Mr. Chirac had "permitted himself to depart from the normal manner of discourse between heads of government of friendly countries."

The Australian leader said he did not intend to "respond in similar fashion," adding that "despite recent events" his government wanted to continue a constructive dialogue with France on matters of mutual interest.

Ties between the two countries, which between France and other nations in the southwest Pacific, are already strained by French tests of nuclear weapons at Mururoa atoll.

Australian officials said Sunday that the friction between the two governments centered on Australian support for a recent move to internationalize the New Caledonia problem, which France regards as an internal matter, to the United Nations.

They said a second issue was Australian insistence that France grant independence to its Pacific territory.

Mr. Hawke said Sunday that Australia wanted to help ensure that the problems "along the path to independence" were resolved peacefully in the interests of all members of New Caledonia's multiracial society.

Mr. Chirac criticized Mr. Hawke publicly after arriving in Nouméa on Friday at the start of his first visit to New Caledonia since leading his center-right coalition to victory over the Socialists in French elections in March.

Australian officials said Mr. Chirac had been angered by remarks contained in an International Herald Tribune interview with Mr. Hawke last week.

In the interview, Mr. Hawke said he would be writing to Mr. Chirac urging him not to curtail plans for self-determination in New Caledonia.

The Australian leader said that France had "an enormous obligation" to ensure that violence did not erupt in New Caledonia over the territory's political future.

Mr. Chirac demonstrated his feelings shortly after arriving at the airport in Nouméa. He paused during a welcoming ceremony to speak separately with the council general of Australia, John Danth. Mr. Danth later said that Mr. Chirac "made a number of harsh and personal remarks to me about Mr. Hawke." He said the remarks had been relayed to the government.

Mr. Hawke said the decision to refer the issue of independence for New Caledonia to a committee of the United Nations had been approved unanimously by all 13 members of the South Pacific Forum at a meeting last month in Fiji.

Mr. Chirac criticized Australia's endorsement of the move during a rally in Nouméa on Friday. He later said during a radio broadcast that it was a "most unhelpful contribution."

On Saturday, Mr. Chirac said that he did not understand why Australia was criticizing France about New Caledonia or why it wanted the matter referred to the United Nations, "especially when the Soviet Union is marking its interest in this part of the world."

Mr. Chirac said he had a "strong wish to reinforce links existing for a very long time between Australia and France."

But he said that Mr. Hawke's comments were "not acceptable to the French government."

In his statement Sunday, the Australian leader said his government had consistently acknowledged the complexity of the issues that France faced in New Caledonia.

This was evidently a reference to the conflicting political demands by French and other settlers who want to maintain ties with France, and Melanesian natives, many of whom want independence.

Reuters

Jacques Chirac in New Caledonia, where he had some harsh words for the prime minister of Australia.

Reuters

White Rightists Hold Political Rally in Pretoria

Two members of an Afrikaner youth organization attend a political rally in Pretoria. The lower sign, in Afrikaans, reads: "Keep Schools White by White." Addressing the rally on Saturday, Andries Treurnicht, the leader of the rightist Conservative Party, said that if needed more military force should be used to put down "the forces of revolution." He also demanded that President Pieter W. Botha reestablish an all-white Parliament by abandoning the three-chamber system of separate Asian and mixed-race representation. On Sunday, black families in Soweto mourned their dead at a church service. Dozens of whites from the suburbs of Johannesburg joined the congregation in Soweto's impoverished White City district, where at least 21 persons were killed in unrest last week.

Jet, Light Plane Crash on Houses In California; At Least 53 Die

The Associated Press

LOS ANGELES — An Aeroméxico DC-9 jetliner bound for Los Angeles and a twin-engine plane collided Sunday and plunged in flames into a residential neighborhood, killing at least 53 persons aboard the two aircraft, the authorities reported.

The planes crashed in suburban Cerritos, 30 miles (50 kilometers) southeast of downtown Los Angeles, where flaming wreckage spread over a neighborhood, burning at least 12 houses, aviation and police officials said.

An entire area of the neighborhood of upper-middle class homes was ablaze when rescuers arrived.

There were no official reports of casualties on the ground, but two residents said they had seen a man burn to death while trying to hose down his home.

A spokeswoman at Los Angeles International Airport said the airliner was Aeroméxico Flight 498 from Guadalajara, Mexico, with 45 passengers and a crew of 6. Two persons were reported to have been aboard the private plane.

"We are not aware of any survivors," said Drew Basey, a Los Angeles County Sheriff's deputy.

"I heard a big crash and a big fire came out," said Mel Quianzon, 75, who lives across the street from some of the burning homes but whose house escaped damage. He said people ran from their homes.

A cloud of white smoke rose from the scene.

The DC-9 collided in flight with a small twin-engine aircraft, said Ira Furman of the National Transportation Safety Board in Washington, D.C.

An safety board investigative team was assembling in Washington and was to fly to the crash site within two hours, he said.

A spokesman for the Federal Aviation Administration, Fred Farrar, said the collision between the DC-9 and the twin-engine aircraft occurred in Downey, 15 miles southeast of Los Angeles International Airport.

Asked if there was any indication yet what caused the collision, he said, "It's much too early to even guess at that."

The California Highway Patrol said the aircraft collided at 11:56 A.M.

A motorist who watched the airliner plummet to the ground said the plane was upside down when it hit.

"The jetliner was on its back and dropping like a rock," said Tom Tait, editor of the Orange Coast Daily Pilot of Costa Mesa, who was driving on the westbound Riverside Freeway in Buena Park when he saw the airliner falling two miles away.

"It was just going straight down, no power at all," he said. "I can see a smoke plume."

Sunday's accident was the worst in the United States since 137 persons were killed Aug. 2, 1985, when a Delta Airlines L-1011 Tristar crashed while landing at Dallas-Fort Worth International Airport.

Among air collisions between planes in the United States, it was the worst since Sept. 25, 1978, when 144 persons died as a Pacific Southwest Airlines jet and a Cessna-172 collided over San Diego.

INSIDE

Reuters

Urho Kekkonen, who was president of Finland for more than 25 years, died Sunday. Page 6.

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Soviet Detains U.S. Reporter on Spying Allegation

By Celestine Bohlen
Washington Post Service

MOSCOW — The Soviet security police, in an official statement Sunday, said that an American reporter had been detained for "engaging in an act of espionage." The KGB statement, issued by the official press agency Tass, said an investigation was under way.

The reporter, Nicholas Daniloff, Moscow correspondent for U.S. News & World Report magazine, has been held since noon Saturday at Lefortovo Prison in Moscow. He was visited there Sunday by his wife, Ruth, and the U.S. consul-general.

"I don't know where we go from now," Mrs. Daniloff said Sunday. "It is rather alarming."

U.S. Embassy officials lodged a formal protest Sunday with the Soviet Foreign Ministry over Mr. Daniloff's arrest. They rejected official Soviet assertions about his activities as "totally unfounded."

A U.S. Embassy spokesman declined to comment on what further steps Washington would take on Mr. Daniloff's behalf, but noted that "it hasn't ended here."

For one American reporter, the Daniloff case evokes a sense of déjà vu. Page 2.

Two U.S. News & World Report editors are due to arrive in Moscow on Monday to seek Mr. Daniloff's release.

Mrs. Daniloff said Sunday, after meeting with her husband for more than an hour, that he "looked rather drawn and a little depressed, and had been feeling quite isolated." The meeting took place in front of a KGB investigator and a translator.

Mr. Daniloff, 52, told his wife he had been treated "very correctly" during his five hours of questioning Saturday, she said.

A veteran of the foreign press corps, he was approaching the end of his five-year tour in Moscow, his second in 20 years.

Mrs. Daniloff said that her husband told her he was seized by eight men after meeting with a Soviet acquaintance who gave him what he described as a packet of newspapers from Frunze, capital of the Soviet republic of Kirghizia. Mr. Daniloff said he and the young man, Misha, a teacher from Frunze whom he met five years ago, then parted company.

In the conversation with his wife on Sunday, Mr. Daniloff said he was then accosted, handcuffed, put in a van and driven to the detention center where he has since been held. Once at the center, KGB officers opened the packet and pulled out two maps marked "secret" and photos of Soviet military equipment and installations.

The KGB statement said the "material confiscated fully expose the U.S. correspondent of being involved in intelligence activities."

Western diplomats agreed privately Sunday with Mr. Daniloff's assessment that had been set up in retaliation for the arrest in New York last week of Gennadi F. Zakharov, a scientific affairs officer assigned to the United Nations.

Mr. Zakharov has been arraigned and is being held without bail in New York, apparently being readied for trial. Mr. Daniloff has speculated that his case is also headed for trial.

Senior U.S. Embassy officers were summoned Sunday morning to the Soviet Foreign Ministry, after the embassy had requested a meeting on the Daniloff case Saturday evening.

U.S. Embassy spokesmen said Soviet officials protested that Mr. Daniloff had violated his status as an accredited correspondent. The American officials rejected the protests and demanded that Mr. Daniloff be freed immediately, according to an embassy spokesman.

Reuters

Henry Moore and his 1957 sculpture "Seated Nude." The artist believed that "a work must have a vitality of its own."

U.S. Asserts Spies Gave Edge to Soviet

By George C. Wilson
Washington Post Service

WASHINGTON — The Soviet Union might have had the edge over the United States if war had broken out while the Walker spy ring was operating because Jerry A. Whitworth, a former navy radioman, had supplied the key for determining American vulnerabilities, according to the director of naval intelligence.

In a 12-page affadavit submitted before Mr. Whitworth was sentenced last week to 365 years for spying, William O. Studeman said Mr. Whitworth also compromised emergency communication circuits between national leaders, including the president, and military units.

He said Mr. Whitworth also supplied the Russians with top secret information about every move of the aircraft carrier Enterprise for a full year, gave away the details of a three-carrier exercise off the Soviet coast, and compromised communications plans "for all U.S. naval forces in the Indian Ocean" and the nations bordering it.

"We will likely never know the true extent to which our capabilities have been impaired by the traitorous and infamous acts of Jerry Whitworth," Mr. Studeman said, raising the possibility that the identities of intelligence agents and Vietnam War operations may have been compromised.

Offering the most definitive official description of the damage inflicted by Mr. Whitworth and the rest of the spy ring headed by John A. Walker Jr., Mr. Studeman said that the disclosures had caused "unprecedented damage to the navy and the nation" by enabling the Russians to read the most sensitive U.S. military communications for years.

"Had conflict erupted between the two superpowers," Mr. Studeman said, the Russians would have been exploiting secret information "with the potential to have powerful war winning implications for the Soviet side."

The intelligence director said the biggest single disclosure by the Walker spy ring was providing Moscow with the ability to "gauge the true capabilities and vulnerabilities of the U.S. Navy" so they could structure their forces to max-

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U.S. Said to Plan a Shift in Stance In Strategic Arms Limitation Talks

By Michael R. Gordon
New York Times Service

WASHINGTON — The Reagan administration intends to modify its strategic arms negotiating position to narrow some differences with the Soviet Union, according to a wide range of U.S. officials.

The officials said in interviews that there was a consensus in the administration on a number of important changes in the American position, including proposed new overall limits on the number of missile warheads.

The United States is prepared to increase the number of ballistic missile warheads and air-launched cruise missiles that it would allow by 25 percent. This would bring the total number to 7,500, close to the Soviet proposal of 8,000.

The new American proposal under consideration would also raise the limit on warheads on land-based missiles by 10 percent, to 3,300. The Russians, who have about 6,400 such warheads deployed, have most recently proposed limiting them to 4,800.

In addition, the administration's tentative proposal calls for backing away from a ban on long-range mobile missiles. Pentagon officials, who pushed for the ban last year partly because the Soviet Union has an advantage in this area, are said to be resisting the change.

But while the administration is considering moving toward the Soviet position in these areas, the proposal is expected to retain an earlier call for a sharp reduction in the throw-weight, or payload, of Soviet missiles.

The tentative proposal would also sharply limit some types of land-based missiles, forcing the Soviet Union to make tough choices about which weapons to keep or deploy.

A final White House decision on the new American position has not been made, but is expected before a meeting of Soviet and American arms control officials scheduled for Friday and Saturday in Washington.

Administration officials said the proposed changes grew out of a series of meetings involving the American negotiators in the Geneva talks and other arms control officials.

An administration official said the new American proposal reflected an interest in serious "give and take." The official added that, while the details of the plan have not yet been formally approved by President Ronald Reagan, "it indicates the direction we are moving in."

The new proposal would still call for big reductions in strategic arms, but would allow higher limits on

See ARMS, Page 2

Henry Moore, 'the Creative Force' in Modern Sculpture, Dies at 88

By Graham Heathcote
The Associated Press

LONDON — Henry Moore, 88, a Yorkshire coal miner's son who came to be admired as the greatest sculptor of his age, died Sunday after a life spent exploring the mysterious link between the human form and the landscape it inhabits. The announcement came from his lawyer. The cause of death was not stated, but Mr. Moore had been confined to a wheelchair for some time and was known to suffer from arthritis and diabetes.

His large works in stone and bronze, pierced by the holes that became his hallmark, stood on display around the world, from Lincoln Center in New York to the Scottish highlands and the hills of Jerusalem.

Mr. Moore's work was criticized by enemies of modernism and worshiped by such luminaries as the art historian Kenneth Clark, who in 1978 declared him "the outstanding creative force of the present day."

His work drew heavily on his childhood memories of the hills and coal slag heaps of the Yorkshire countryside, and of the sense of flesh, sinew and bone that he got from massaging his mother's rheumatic back.

Mr. Moore explained that holes reminded him of the landscape.

"The first hole made through a piece of stone is a revelation," he wrote in 1937. "The hole connects one side to the other, making it immediately three-dimensional. A hole can itself have as much meaning as a solid mass."

The holes, as distinctive on a Moore as the eyes on a Picasso, left some viewers cold. An employee of Mr. Moore, in a possibly apocryphal utterance, was overheard to say: "Poor Mr. Moore. 'E goes 'ammer 'ammer 'ammer all day at the bottom of the garden and wot 'as 'e got at the end of it? Only 'oles."

At auctions Mr. Moore's sculptures broke records for the highest price paid for a living sculptor's work. Much of the money went into the Henry Moore Foundation, a fund for the endowment of promising artists.

But Mr. Moore's passage was not easy. One of his first major works, a reclining figure unveiled at an outdoor exhibition, provoked the painter Sir Alfred Munnings to call it "an outrage, fit for the dumping ground and nothing less."

In 1931, a newspaper condemned his exhibition at the Leicester Galleries in London as immoral. J.B. Manson, director of the Tate Gallery, said that Mr. Moore's work would enter London's national collection of British and modern art over his dead body.

But 46 years later, the Tate displayed his works, hailing a man who "can still find fresh ways of presenting themes that have obsessed him now for more than 50 years."

Henry Moore was born July 30, 1898, in Castleford, a mining town near Leeds, the seventh of eight children of an upwardly mobile miner who later became a self-made business manager.

His high-school art teacher, Alice Gostick, encouraged him to take up art.

Mr. Moore survived a gas attack as a soldier in France in World War I and in 1919 enrolled at Leeds School of Art, where he was the only sculptor.

There he encountered for the first time the works of Cezanne,

See MOORE, Page 2

Scientists to Probe Pyramid's Secret Rooms

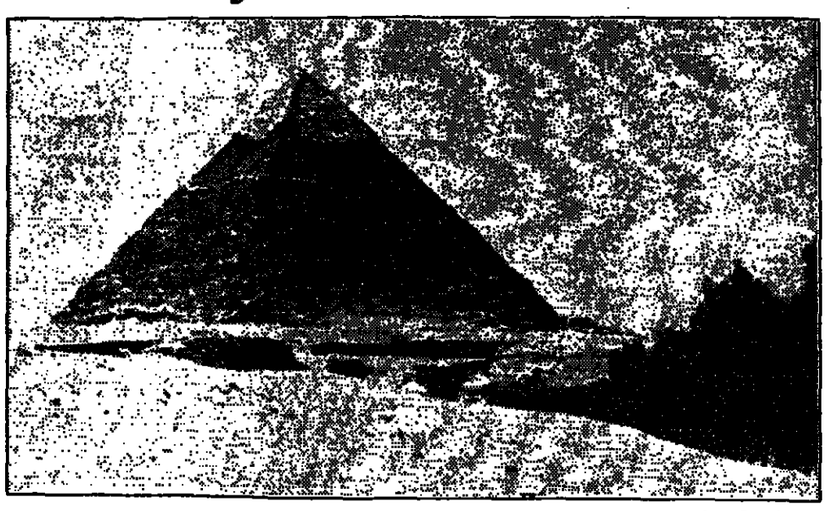
By Michael Ross
Los Angeles Times Service

CAIRO — They have been plundered by treasure hunters, picked over by archaeologists, photographed from every conceivable angle by several generations of tourists. Yet more than 4,600 years after they were built, the Pyramids of Giza may still harbor secrets and possibly even pharaonic treasures.

A French scientific team thinks so, at any rate. And with the aid of high-technology instruments, it will attempt in the days ahead to peer into the interior of three newly discovered chambers in the Great Pyramid of Cheops, the oldest and largest of the three at Giza.

The existence of hidden chambers has long been suspected but never proved. In May, however, experts from a French geophysical survey company, using a sounding device known as a microgravimeter, located what appear to be three cavities of 6 feet by 9 feet (1.8 meters by 2.4 meters) off a gallery leading to the so-called Queen's Chamber in the Great Pyramid.

The French say the cavities could be ancient storerooms. Their discovery has created a flurry of excitement among Egyptologists, who for the most part have assumed that all the treasures of Cheops were plundered long ago.



Agence-France Presse

The Great Pyramid of Cheops, the oldest and largest of the three Pyramids of Giza.

Even now there is considerable debate over whether the cavities are storerooms or merely empty spaces built as relieving chambers to help balance the great weight of the Pyramid's three million blocks of stone, some of which weigh more than 30 tons.

Ahmed Moussa, director of the pyramids office of the Egyptian Antiquities Organization, said: "I for one think there's nothing there, nothing left in the Pyramids except what is already known."

Other experts disagree. Mohammed Saleh, director of the Egyptian Museum in Cairo, said: "We have to be cautious because we don't

See PYRAMID, Page 2

For a U.S. Reporter, Detention Of Daniloff Is Like a Playback

By Felicity Barringer
New York Times Service

MOSCOW — Almost every detail of Nicholas Daniloff's detention Saturday appeared to be a replay of a case involving an American journalist in 1977.

That year, Robert C. Toth of the Los Angeles Times was detained by the KGB on charges of having received official state secrets and questioned for five days before he was allowed to leave the Soviet Union.

Both Mr. Toth and Mr. Daniloff, of U.S. News & World Report, were finishing their tours in the Soviet Union, both went to meetings requested by Russian acquaintances, both were handed envelopes and both were accosted by members of the KGB internal security service moments after the meetings ended.

"It certainly gives me an eerie sense of déjà vu," Mr. Toth said Saturday.

A few months before Mr. Toth was detained, the Associated Press bureau chief in Moscow, George Krimsky, was accused of espionage and currency violations and expelled from the Soviet Union.

In the nine years since Mr. Toth was detained, one American journalist, Andrew Nagorski of Newsweek magazine, was expelled and a variety of lesser forms of harassment have been used regularly against others.

The harassment in recent months has varied from the interrogation of an AP correspondent whose name was found in the address book of a Soviet citizen who tried to flee across the Soviet border, to the punching of a CBS photographer filming a demonstration last fall.

AP

Nicholas Daniloff

Since the Toth case and other incidents, it has become customary for many correspondents in the Soviet Union to travel in pairs to meetings requested by strangers.

In one meeting, after the Chernobyl nuclear accident in April, a man saying he was a dissident from Tula set up a curbside meeting with two journalist. He offered them a plastic bag full of documents and upbraided them when they refused to take it.

In another recent incident, a correspondent went to an uneventful meeting with a man who said he was a Jewish dissident. Two days later, the same correspondent accompanied a colleague to a hastily arranged meeting with a "Ukrainian nationalist." He turned out to be the same man as the "Jewish dissident."

The meeting Mr. Daniloff went to, however, was requested not by an unknown caller but by a man he had known for four years, one to whom he had planned to give a farewell gift of books by Stephen King, the novelist.

"Each case is different," Mr. Toth said. "Each depends on just the opportunity and the circumstances that present themselves at the time."

Mr. Toth said he believed that Mr. Daniloff's reporting during the last five years in Moscow had irked Soviet officials.

Mr. Daniloff, who had previous experience in Moscow reporting for United Press International, had a reputation for having a group of Soviet contacts wider and more varied than those of most Moscow correspondents.

Not since Mr. Toth has an American journalist been detained after a meeting, and even Mr. Toth was not held overnight.

The document Mr. Toth was handed was an essay on parapsychology by a scientist who said he was doing investigations in the field. But although the purportedly secret information was the pretext for his detention, the interrogation soon turned to his contacts with the human rights activist Anatoli B. Shcharansky.

Documents signed by Mr. Toth were later used against Mr. Shcharansky in his trial on charges of espionage and anti-Soviet activity.

Reuters

U.S. volcano experts unloading equipment at the Bamenda airport in Cameroon.

In Cameroon, Reality Hasn't Sunk In

Impact Likely to Occur When Empty Schools Convene

By Thomas L. Friedman
New York Times Service

YAOUNDE, Cameroon — There is an old saying here that goes, "The infant and the old woman go back." What it means is that the very young and the very old are expected to die — to go back — but not those in between. It is the death of those in between that requires an explanation.

What has made the more than 1,500 deaths from the volcanic gas eruption last week difficult for many Cameroonians to grasp, said Philip Nos, an American missionary who has lived in Cameroon on and off since 1948, is that it was inexplicable: a cloud of gas emerging from a boiling volcanic lake wafting into villages in the night and striking down whole families, or sparing one person and killing his wife nearby.

Talking with some of the few survivors, it was clear from their frozen stares, vacant looks and the monotonous voices in which they recited what happened to their loved ones that they had not begun to mourn yet. Mourning begins with recognition, and what happened to them was still too unbelievable.

The real psychological impact probably will hit the survivors in three weeks, when school is scheduled to start, said Gemuh Akuchu, a U.S.-trained Cameroonian scholar who comes from the region near Lake Nios, the source of the poison cloud.

"When people realize that there are almost no children for the school," he said, "I think that is when it will really hit them."

"That is when the real mourning will begin and when people will start asking why," Mr. Nos said. "Why this lake and not another? Why today and not tomorrow? Why my child and not me?"

From the beginning of the disaster the contrasting perceptions of what constitutes news in Cameroon and in Western countries were readily apparent.

The tragedy received banner headlines and prominent television coverage in the United States and Europe, while The Cameroon Tribune, a newspaper run by the government, put the story on page 6.

It was not that the government was being callous.

Rather, the difference in emphasis seemed to have to do with the fact that for the Cameroonians this was a tragedy, and nothing more.

REPORTER'S NOTEBOOK

The government viewed the role of its own press as playing down the story and not panicking the public.

As in most Third World countries, Cameroonian officials say that newspapers are supposed to edify and unify, not depress or demoralize. Almost all the news that was written by Cameroonians focused not on the gruesome details of what happened, but on what the government was doing about it.

From the beginning of the disaster, obtaining accurate casualty figures has been difficult, as a few of the dead were buried immediately by their surviving relatives, who live in the hills above the stricken villages. The army buried the rest without keeping an exact count.

When Lieutenant General James Tataw, the Cameroonian commander of the rescue operation, was asked how many people had died, he said, "Up to now we know that there are 1,534 dead — approximately."

This number was largely put together, he said, by taking the 1966 census figures for the four afflicted villages, guessing how much the population might have increased since then, and deducting how many survivors seemed to have come back to the villages in the days immediately after the gas explosion.

Gadhafi Aide Challenges U.S. to Prove That Libya Plans Terrorist Attacks

By Nora Boustany
Washington Post Service

TRIPOLI, Libya — Major Abdul Salaam Jalloud, Colonel Moammar Gadhafi's second in command, has challenged the United States to furnish details on planned Libyan terrorist action so that Libya can "abort such attacks and apprehend the individuals" to avoid a confrontation with Washington.

Although generally conciliatory in tone, Major Jalloud's comments to a group of journalists on Saturday were punctuated with defiance along with vows to drag Europe into any battle if Libya is attacked.

He said Libya was part of the socialist world and could not be "left to face the NATO alliance alone." He cited a U.S. naval buildup in the Mediterranean, the transfer of 18 F-111 bombers to Britain and what he said was the targeting of cruise missiles on Libya.

A Soviet delegation led by Vice President Pyotr N. Demichev arrived in Libya on Saturday to attend celebrations Monday commemorating the 17th anniversary of the coup that brought Colonel Gadhafi to power.

Colonel Gadhafi officiated Saturday at a graduating ceremony of about 4,000 military cadets in Green Square, his second major public appearance in less than 24 hours, dispelling speculation that he might stay away from the festivities Monday. He appeared earlier at a rally.

At his press conference, Major Jalloud said, "All statements and military preparations indicate there will be new aggression against Libya." He was referring to U.S. news reports of possible strikes against Libya should there be more acts of violence against Americans or their interests.

"The Libyan people totally reject and refuse the accusation of terrorism," he said. "They are the first victims of organized state terrorism led by the American administration."

Major Jalloud stressed that if the United States disclosed names and specifics on purported terrorist plots, "We will cooperate fully to avert and abort such attacks and apprehend the individuals and put them on trial."

He said that the Reagan administration had been sent a request for such information through diplomatic channels but that it had gone unanswered.

Major Jalloud's appeals betrayed some apprehension about the possibility of U.S. military action at a time when Libya is feeling increasingly isolated in the Arab world. On Friday, King Hassan II of Morocco renounced a treaty of union with Libya signed two years ago.

"If America says its attack against Libya will be because of those terrorist preparations," Major Jalloud said, "well, we are in a position to avoid both — the terrorist attacks and the American aggression — and we can solve the whole problem."

"However," he added, "if the decision for aggression against Libya has already been taken, he who wishes to commit aggression does not need a pretext. This means that Libya is being punished for its political and ideological beliefs."

Major Jalloud warned that Libya would not "permit the battle to be confined to the Libyan frontier," adding: "And after this we shall not be concerned with peace, neither in the Mediterranean nor in the region nor in the whole world."

■ Gadhafi Returns to Form

Edward Schumacher of The New York Times reported from Tripoli:

Diplomats say they believe that, to judge from a sudden burst of public appearances, Colonel Gadhafi seems to have shaken off the deep depression that appeared to engulf him after the American bombing raids last April.

They say that Colonel Gadhafi recently has been returning to much of his old political form. But they add that because his statements have been few and cautious, questions continue to exist about his precise role in the Libyan government.

As Colonel Gadhafi prepared to commemorate the coup he led in 1969 that overthrew King Idris, diplomats say that some of his public luster has worn off and that more equality has been emerging in the governing five-man military council, although Colonel Gadhafi is said to still have the last word.

Early Saturday morning, in his first public appearance in Tripoli in some months, Colonel Gadhafi led a rally of leaders of revolutionary committees from around the country.

Dripping with perspiration, he stalked the stage, shook hands and waved his fist in the air as a crowd of men and women shouted chants, most of them anti-American, for nearly 45 minutes.

ARMS: *U.S. Is Said to Plan Shift in Weapons Talks*

(Continued from Page 1)

such arms than previously proposed by the administration. A higher limit could partly bridge the gap between the Soviet and American positions.

The latest Soviet offer sets a limit of 8,000 on the total number of missile warheads, air- and sea-launched cruise missiles and bombs, or what the Soviet Union calls "charges." This offer allows limited research on the space-oriented Strategic Defense Initiative. Earlier, Moscow offered deeper cuts in strategic arms as part of an agreement that virtually banned all SDI research.

In response to the latest Soviet offer, the tentative new American proposal would allow each side to have 7,500 missile warheads and air-launched cruise missiles. This is higher than the latest American offer presented at Geneva, which would allow 6,000.

Administration officials said the change was intended as a follow-up to a letter Mr. Reagan sent in July to Mikhail S. Gorbachev, the Soviet leader, in which Mr. Reagan signaled that the United States would not demand such deep reductions.

While the administration plans to raise its proposed limits, it still differs with the Soviet Union about how the weapons should be limited and which ones should be included.

The administration objects to including ballistic missile warheads and air-launched cruise missiles under a common ceiling, saying that ballistic missiles are a greater threat.

The American plan does not propose to limit sea-launched cruise missiles or bombs dropped by airplanes.

One major difference that remains concerns reductions in the number of warheads on land-based missiles, which make up more than two-thirds of the Soviet arsenal and about one-fourth of the American strategic arsenal.

The latest American offer seeks to reduce the number of warheads on land-based missiles from the current Soviet total of about 6,400 to 3,300.

The previous American offer sought a reduction to 3,000, and the administration once sought to cut the number to 2,500.

In contrast, the current Soviet offer would limit the number of such warheads to 4,800. In making that offer, the Soviet Union fell back from an earlier proposal to limit the number to 3,600.

While allowing the Soviet Union slightly more land-based missile warheads, the tentative American proposal would also dictate what types of land-based missiles the Soviet Union could deploy.

For example, no more than half of the land-based missile warheads could be carried by the "heavy" SS-18 missile, long-range mobile missiles or by missiles that have more than six warheads.

This limit would force the Soviet Union to make difficult choices. The Soviet Union has 308 SS-18 missiles, and each is counted under the 1979 strategic arms agreement as having 10 warheads. For example, if the Soviet Union wanted to keep about half of its SS-18 force and deploy a small number of single-warhead mobile SS-25s, it would have to drop its plans to deploy the 10-warhead SS-24.

The proposal was described as having the following elements:

- An overall limit of 5,500 would be set on the warheads carried by land- and sea-based ballistic missiles. The United States has previously proposed that the limit be 4,500.
- Within the overall warhead total, the new proposal would limit the number of warheads on land-based missiles to 3,300. The United States has previously proposed that the limit be 3,000.
- Long-range land-based mobile missiles would be allowed if the Soviet Union could demonstrate to American negotiators that they could be effectively verified. Previously, the United States has proposed banning them.
- It also stipulates that no more than half the warheads on land-based missiles — or 1,650 warheads — can be carried on "heavy" Soviet SS-18 missiles, mobile long-range missiles, or missiles that have more than six warheads. This last provision would apply to the new 10-warhead SS-24 missile, which is currently undergoing flight tests and may be deployed this year. The Pentagon has said that it expects the missile to be based in missile silos as well as on railroad cars.
- An earlier call for a 50 percent reduction in the throw-weight, or payload, of Soviet missiles would be retained.
- A limit of 2,000 would be set on air-launched cruise missiles. The previous limit on air-launched cruise missiles, in which the United States holds a decided edge, was 1,500. The number of long-range bombers would be limited to 350, as in the earlier proposal.

Administration officials said they had not decided whether the new proposal should be discussed in detail at the meeting of Soviet and American arms experts that is to start Friday, or whether the changes should merely be signaled.

ESPIONAGE: *Spies Gave Edge to Soviet, U.S. Asserts*

(Continued from Page 1)

imize their advantages and minimize their disadvantages.

"We have seen clear signals of dramatic gains in all naval warfare areas which must now be interpreted in light of the Walker-Whitworth espionage conspiracy conducted over approximately two decades," Mr. Studeman said.

The affidavit said Mr. Whitworth, during his 18 years as a navy radioman, was "a member of the elite fraternity" that coded and decoded so many sensitive messages that there is no way to determine how many the Russians read because of receiving the key to break them.

From 1976 to 1985, during the height of the operation, Mr. Whitworth met Mr. Walker two to four times a year and each time gave him 25 to 50 rolls of Minox film. Most of the pictures are believed to be of the crucial keying materials needed to break the coded messages of the military, Mr. Studeman said.

Other navy officials have said that one of the biggest losses was the deployment patterns and tactics of U.S. submarines, which rely on stealth for survival and effectiveness.

■ Defector's Opinion

Dan Morain of the Los Angeles Times reported:

The Department of Justice released newly declassified information Thursday, the day of Mr. Whitworth's sentencing, quoting a onetime Soviet defector, Vitali S. Yurchenko, as saying the Russians believed the Walker spy operation was the most important "in the KGB's history."

The secrets would have been "devastating" to the United States if there had been a war during the 17 years that the Walker ring operated, according to a summary of Mr. Yurchenko's statements to U.S. intelligence agents.

A summary of Mr. Yurchenko's statements was included in an affidavit by John L. Marin, head of internal security for the Department of Justice.

Mr. Yurchenko was a top KGB official who defected to the United States in July 1985, then redefected to the Soviet Union four months later, claiming he had been drugged and kidnapped by the Central Intelligence Agency.

WORLD BRIEFS

NASA Launching Is Called SDI Test

WASHINGTON (NYT) — NASA is to attempt on Thursday the first launching of a Delta rocket since one exploded May 3, according to the authoritative aerospace magazine Aviation Week and Space Technology. The rocket is to carry a secret military payload on a research mission for the proposed U.S. anti-missile space defense system, the magazine says in its Sept. 1 issue.

Officials of the National Aeronautics and Space Administration refused to confirm the report, but said that the public would be notified in advance and that reporters would be allowed to observe the launching. Neither the space agency nor the Pentagon would confirm that the Delta rocket would carry an experiment related to the Strategic Defense Initiative.

One official who works for the office managing the research program said the report appeared to refer to an experiment that would investigate how to track missiles in flight. This would enable the missiles to be destroyed by a collision with a high-speed projectile.

Leftists Launch New Party in Manila

MANILA (LAT) — Two founders of the Communist movement in the Philippines formally launched a new political party Saturday, six months after President Corazon C. Aquino freed them from prison under an amnesty.

The first congress of the People's Party was opened by José Maria Sison, founder of the outlawed Communist Party of the Philippines and chief of the new party's preparatory committee. The keynote address was delivered by Bernabe Buscayno, also known as Commander Dante, a founder of the New People's Army, the military wing of the Communist Party.

Billing their organization as an alternative to traditional Philippine politics, the new party's leaders told about 1,000 followers that their decision to form the new party was "a continuation of our struggle in other arenas and other forms."

Honecker May Act on Plea on Emigrés

LEIPZIG, East Germany (AP) — The East German Communist Party leader, Erich Honecker, indicated Sunday he might help stop Third World refugees from entering West Germany after a West German diplomat told him the problem was hurting relations between the two countries.

The exchange between Mr. Honecker and Hans-Otto Braftigam, chief of West Germany's diplomatic mission in East Germany, occurred during the Leipzig Trade Fair. Mr. Brattigam told Mr. Honecker that the West German government wanted "to clear up these shadows."

The diplomat did not say what he meant by shadows, but observers said he meant the problem of foreign refugees exploiting lax East German transit controls to reach West Germany. West German officials complain that about half of the 52,000 asylum-seekers to have entered West Germany this year have flown into East Berlin, then were allowed to transit to West Berlin despite a lack of proper travel documents.

Walesa Marks Founding of Solidarity

GDANSK, Poland (Reuters) — Lech Walesa, one of the founders of Solidarity, and several thousand supporters celebrated the trade union's sixth anniversary Sunday by attending mass.

"We deliberately wanted to keep the occasion low-key," Mr. Walesa said. Opposition activists said they believed Solidarity leaders did not want to provoke street demonstrations while the government was still releasing political prisoners under a selective act of clemency that will expire on Sept. 15.

Large numbers of police with riot gear patrolled the streets of Gdansk, a Baltic port where Solidarity was born, to deter public protests.

AP

Lech Walesa

For the Record

China has begun choosing a team of astronauts and will launch men into space before long, the People's Daily overseas edition reported Sunday. It quoted authoritative sources in the Liberation Army Daily as saying Chinese scientists had built a rocket simulator and Chinese astronauts would be trained in China. *(Reuters)*

Iraqi jets attacked Iranian oil and radar facilities Sunday at the Gulf island of Farsi, 62 miles (100 kilometers) south of Iran's main oil terminal on Kharg Island, an Iraqi military spokesman said. *(AFP)*

Eight U.S. servicemen died when the helicopter they were flying in crashed during NATO exercises off northern Norway, U.S. military officials aboard the carrier Nimitz off Norway said on Sunday. *(Reuters)*

The right of free assembly has been restored in Lima so that municipal elections scheduled for Nov. 9 can be held normally, the authorities said. The right had been suspended by the Peruvian government in its fight against guerrilla groups. *(AFP)*

MOORE: *Sculptor Is Dead at 83*

(Continued from Page 1)

Ganguin and Matisse, and African, Aztec and Mayan sculpture convinced him there was worthy sculpture other than the Greek classics.

He won a scholarship to London's Royal College of Art, traveled to Italy, and later returned to England, where he taught art until World War II.

In 1929 he married Irene Radetzky, who survives him. Their only child, Mary, was born in 1946.

Mr. Moore's first public commission was for a female reclining figure for the St. James's Park subway station in London. He first won major recognition with the "Shelter Sketches," nightmarish impressions of terrified Londoners hiding in subway stations from German bombers.

In 1948 the Moores moved into a sprawling home in the village of Much Hadham, near Cambridge, and he filled garden huts with bits of wood, pebbles, bones and an elephant skull.

"Pebbles and rocks show nature's way of working stone," he said. "Bones have marvelous structural strength and hard tenseness of form, subtle transition of one shape into the next. For me a work must have a vitality of its own. It can have a pent-up energy independent of the object it may present."

He collected more than a dozen honorary degrees, plus the prized Order of Merit, but refused a knighthood, saying that hearing "Hello, Sir Henry" would ruin his day.

Mr. Moore took pride in the physical accessibility of his works, encouraging viewers to touch and feel them.

In one of his last public appearances, in 1984 to check the positioning of his statue of Mary and Jesus at St. Paul's Cathedral in London, he urged the custodians to encourage the public to touch it.

"They cannot hurt it," he said. "It's stone."

PYRAMID: *French Scientists to Probe Secret Rooms*

(Continued from Page 1)

want to create flowery expectations. But I think there must be something there."

One reason for thinking so is the care that the builders took to ensure that the spaces would never be reopened: They sealed them off with a wall of stone nine feet thick.

Another reason is that the microgravimetric studies done in May by the Geophysical Prospecting Company of France suggest that the cavities are too large to have been designed merely as relieving or balancing chambers.

"The French think there is something in these rooms, perhaps burial objects that have escaped plunder," said Wafaa Sedeeq, an archaeologist with the Egyptian Antiquities Organization.

"But even if the chambers are empty," he said, "even if they are just for balance, that will tell us something more about the construction of the Pyramids, so it's all very exciting."

The French team will drill four holes 1.2 inches (about 3.8 centimeters) wide, through the gallery walls to observe and photograph the interiors of the cavities.

This will be done with the aid of an endoscope, a tubular optical instrument.

The holes will be drilled by a process known as microboring, to ensure that no outside air or dust, or change of temperature, affects the atmosphere inside, a precaution crucial to the preservation of whatever may be inside.

The work was scheduled to begin over the weekend and is expected to go on for about two weeks.

It will be the first time that the Pyramid's walls have been bored through with a drill, a destructive procedure that has started a debate among Egyptian antiquities officials.

"My first thought was no, no, we cannot drill in the Pyramids," Mr. Sedeeq said. "But then I began to think that if it's so important, why not?"

Officials at the French Embassy in Cairo are reluctant to discuss the project, but the Egyptian authorities said that the French team had asked for permission to bore eight holes and had received approval for four.

The rock that is bored out will be saved and used to plug the openings after the interiors have been examined, Mr. Saleh said.

Some officials say that this compromise may not end the debate.

"I don't think there is anything there," Mr. Moussa said, "but what if there is? What will we do if we find something? The walls of the Pyramid are themselves antiquities. Will we really break through and destroy them if there is something inside? It is a very big problem; a very big problem."

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SENIOR SUPPLY OFFICER	Approx. US$43.000	International Organization based in Vienna.
FUNCTIONAL SYSTEM ANALYSTS EDP FACILITIES SPECIALIST	Good	Int. Organization located in Luxembourg.
METHODOLOGY MANAGER ANALYST/PROGRAMMERS	Good	Int. Organization located in Luxembourg.

If you haven't seen last week's **INTERNATIONAL POSITIONS** rubric, please ask for a free copy: Max Ferrero,
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Record Tra
Called Big
Issue by De

By Clyde H. Farnsworth
New York Times Service

WASHINGTON — A new re
of the U.S. merchandise trade
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The administration continued to
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Nonetheless, analysts said that
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Administration officials and
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deepening confrontations over
such issues as Japan's refusal to
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to more than nominal imports and
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factured goods from newly indus-
trialized Asian nations.

They also cited Brazil's barriers
to personal computers, and Japan's
and West Germany's reluctance to
cut interest rates to spur faster
growth and import competition.

But analysts agree that there
probably is little the Reagan ad-
ministration can do to hold back
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"There is no protectionist trade
legislation this year," said Stephen
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the first order of business in the
new Congress."

All seats in the November elec-
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Representatives and a third of
those in the Senate.

In election campaigning, said
William Schneider, a political ana-
lyst for the American Enterprise
Institute, a research institution,
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Herbicide Users May Risk Cancer

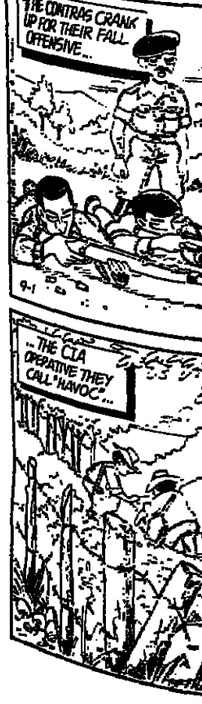
New York Times Service

WASHINGTON — Farmers and workers exposed to herbicides face a much higher risk of lymphatic cancer than others, according to a new study by the National Cancer Institute and the University of Kansas.

The study was based on an examination of health histories of farmers in Kansas. It showed that farmers were exposed to herbicides 20 days a year or more they were 400 percent more likely to contract lymphatic cancer than people who did not work with such chemicals, according to Dr. Sheila Hoar, a senior staff scientist at the Cancer Institute who is chief author of the report.

The risk for farmers who actually mixed or applied the chemicals increased eightfold, according to Dr. Hoar. She said Friday that the higher cancer risk was particularly associated with 2,4-dichlorophenoxyacetic acid, or 2,4-D, a chemical compound used in a broad range of herbicides.

DOONESBURY



Record Trade Gap Called Big Election Issue by Democrats

By Clyde H. Farnsworth
New York Times Service

WASHINGTON — A new record in the U.S. merchandise trade deficit in July has heightened questions about the Reagan administration's management of the economy and increased chances that trade will figure prominently in the November elections.

The government reported Friday that the deficit widened to $18.04 billion in July from a revised $13.25 billion in June.

The Democratic Congressional Campaign Committee seized on the numbers as another sign that the economic recovery might be stalling.

Representative Tony Coelho of California, the committee chairman, said Friday: "Thirty-one of the 50 states are now in recession with high unemployment, largely due to the record trade deficits in heavy manufacturing, agriculture and high-tech industries."

"Trade has become a major political issue," he asserted, "because the Republican Party leadership is out of touch with America's heartland."

The U.S. trade representative, Clayton K. Yeutter, said the deficit figure was "disappointing but not surprising."

The administration continued to expect that the trade deficit would decline modestly late this year and substantially next year, Mr. Yeutter said.

Nonetheless, analysts said that the report Friday puts new pressure on the Reagan administration to try to persuade trading partners, especially Japan, to demonstrate a commitment to remove barriers to imports and growth.

Administration officials and congressional aides predicted sharpening confrontations over such issues as Japan's refusal to open its $15-billion tobacco market to more than nominal imports and its unwillingness to import manufactured goods from newly industrialized Asian nations.

They also cited Brazil's barriers in personal computers, and Japan's and West Germany's reluctance to cut interest rates to spur faster growth and import competition.

But analysts agree that there probably is little the Reagan administration can do to hold back protectionism.

"If there is no protectionist trade legislation this year," said Stephen D. Cohen, a professor of international economics at American University in Washington, "it will be the first order of business in the new Congress."

At stake in the November elections are all seats in the House of Representatives and a third of those in the Senate.

In election campaigning, said William Schneider, a political analyst for the American Enterprise Institute, a research institution, "trade will be a factor in any locality where unemployment is high and where this can be traced to trade competition."

Mr. Schneider cited steel manufacturing, textiles and agriculture.

Matthew Greenwald, who heads a Washington-based public opinion firm, said that his polling data showed that 7 of 10 Americans believe the trade deficit is seriously hurting the economy.

The Democrats are trying to make trade a central issue of the campaign. The House, which is controlled by Democrats, passed a trade bill in May that the administration and many economists consider highly protectionist.

While President Ronald Reagan called the bill "kamikaze economics," congressional aides, political analysts and others said the Democrats' aggressiveness was forcing campaigning Republicans to distance themselves from the administration, for fear they might be branded "soft on trade."

Many analysts said that Republicans in the Senate badly wanted to vote on a trade bill so that they could show their constituents that they were as tough on trade as the Democrats.

One illustration was the active lobbying against the president on the textile issue by James T. Broyhill, Republican of North Carolina, who served in the House until recently, when he was appointed senator to replace John P. East.

Mr. Broyhill and Terry Sanford, the former Democratic governor of North Carolina, are fighting for the Senate seat in November.

On Aug. 6, when House members were voting on the president's veto of a bill to curb textile imports, Mr. Broyhill left his Senate seat and walked over to the House to try to rally his former colleagues against Mr. Reagan. The president won a narrow victory.

According to Steve H. Hanke, a professor of economics at Johns Hopkins University, Baltimore, and chief economist of Friedberg Commodities Management Inc. of Toronto: "The bottom line of my calculations is that there will be no improvement in the trade numbers until we get a recession to slow the growth of imports."

At the same time, he said, exports were not responsive to the recent decline in the value of the dollar because half of U.S. trade was with countries such as Canada, Mexico, South Korea and others whose currencies have stayed on a par with the dollar and even depreciated.

Herbicide Users May Risk Cancer

New York Times Service

WASHINGTON — Farmers and workers exposed to herbicides face a much higher risk of lymphatic cancer than others, according to a new study by the National Cancer Institute and the University of Kansas.

The study was based on an examination of health histories of farmers in Kansas. It showed that if farmers were exposed to herbicides 20 days a year or more they were 600 percent more likely to contract lymphatic cancer than people who did not work with such chemicals, according to Dr. Shelia Hoar, a senior staff scientist at the Cancer Institute who is chief author of the report.

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AMERICAN TOPICS

Doug Mills/The Associated Press

DRIVEN TO SUCCEED — Dwight Mitchell, 40, of Dayton, Ohio, ended a motorcycle trip from New York to San Francisco, a distance of more than 3,000 miles, in the record time of 66 hours, 52 minutes. He broke his own record by nearly eight hours.

New York's Message: Blame the Messenger

The number of bike-pedestrian accidents in New York is soaring, and the police are targeting the group they hold most responsible: bike messengers who ride the sidewalks at speeds of up to 30 mph (almost 50 kph). In the first 15 days of the campaign, the police have issued 3,363 summonses to messengers, triple the number for all of 1985, The New York Time reports. Pedestrians applaud the police crackdown. Messengers, says Bob D'Amia, a cable splicer for the telephone company, are "worse than the cab drivers, and that's saying something."

A former messenger says that collisions do not usually hurt cyclists. "Messengers are perfecting the art of hitting people and remaining on the bike," says Eddie Ruyol of Streetwise Couriers Inc.

Short Takes

Mattel, the company that brought you Barbie and Ken, is introducing an expectant family of dolls, the Heart Family — with a father, a now-she's-pregnant, now-she's-not mother, a newborn infant and lots of accessories. But rest assured, it is not Barbie who is pregnant. "They are completely separate lines," a Mattel spokeswoman said. "We don't want anybody to think Barbie is expecting, because she's not married."

For a time, underground nuclear tests in the United States were named after cheeses, including Limburger, cottage and Roquefort. Now the Energy Department is naming tests for ghost towns, mostly in Nevada and California.

Laughlin, Nevada, is gaining fast on South Lake Tahoe as the third-most-popular gaming resort in the state, and many people say it will eventually overtake Reno as No. 2. (Las Vegas is No. 1.) Gambling revenue in Laughlin quadrupled to $160 million from 1981 to 1985, about one-tenth of Las Vegas's receipts, and is up 21.5 percent in the first three months of this year. The town itself has grown 30-fold in two years, from fewer than 100 residents to more than 3,000.

Adolph Coors Co. ends lie-detector tests Monday for job applicants after 24 years, replacing them with a mandatory drug test, a 12-page standardized exam and an extensive background check. The big brewery, known for the ultraconservative views of its owners, had been looking for alternatives to the polygraph since Congress began considering curbing its use. Officials say the new system will do the job. "If people are on narcotics we'll find it," a spokesman said. "We'll also find Communists."

Notes About People

Relations between Edwin Meese 3d and Bob Guccione have not flourished since the attorney general's commission concluded that pornography leads to violent crime and Mr. Guccione sued the Justice Department. But there may soon be a thaw. The Penthouse publisher has sent Mr. Meese a telegram congratulating him on his fight against "the drug plague in the United States" and offering to run free public service ads in his magazines as part of that program.

The site for a planned museum to honor Ellison S. Onizuka, the Japanese-American astronant from Hawaii who died in the explosion of the space shuttle Challenger in January, has been blessed at the small Keahole Airport in the western part of the island of Hawaii.

Murdoch, De-Pressed, Looks to TV for a Lift

Once it seemed that Rupert Murdoch was poised to become Citizen Murdoch, with his purchases over a decade of the San Antonio Express-News, the Star, the New York Post, The Village Voice, New York magazine, the Boston Herald and the Chicago Sun-Times. However, his gory, graphic formula grabbed readers but not advertisers — "Your readers are our shoplifters," one ad executive said — and he now he has shifted his American empire into television. Most of the papers have been sold or are on the block, says U.S. News & World Report, and the press baron has become a mere press knight in the United States. As his headline writers might put it,

Media Magnate
Gobbles Boob Tubes,
Bags Papers!

—NINA MARTIN

A 'Family' Reunion in the U.S.

Descendants of Slaves, Master Meet for Picnic at Plantation

By Joan Oleck
New York Times Service

CRESWELL, North Carolina — On the same cypress-shaded plantation where his ancestors arrived in chains 200 summers ago, 80-year-old John Thomas Baum cleared his throat under his white straw hat and recited the slavery story he had heard as a child.

"He had to run from his master every time he went out," Mr. Baum said of his grandfather's efforts to court the girl he married.

"His master had a big dog that he'd go out and sic on him," the retired farmer suddenly added, straining to remember through the mists of the past.

Mr. Baum, who was born in Creswell, revived such memories at the elegant site where they began — Somerset Place. Once the second-largest plantation in North Carolina and now a state park, Somerset Place was the scene Saturday of an extraordinary "family" reunion of hundreds of descendants of 21 slave families who worked the vast rice and corn estate from 1786 until the Emancipation in 1863.

Among those at the reunion were such descendants as Clarence Blount, the Democratic leader of the Maryland Senate, and William E. Honeyblue, the mayor pro tem of Williamston, North Carolina. There were lawyers and doctors, soldiers and teachers.

Also on hand were Josiah Collins 6th, a descendant of the plantation's founder; Alex Haley, the author of "Roots," whose slave history inspired the effort that led to the gathering, and Governor James G. Martin, who said that the event focused attention on the descendants themselves, not the slavery and segregation they had suffered.

In 1986, many of those descendants still bear the names their ancestors took from their first owners — Littlejohn, Baum, Collins, Blount, Cabarrus, Palin, Phelps, Reavis. So, first and foremost, the gathering provided a rare opportunity to track down relatives and roots. And it happened just steps away from the cream-colored 1830 Greek Revival plantation house that Somerset slaves once served.

Under sunny skies, a crowd of 2,000, three-quarters of them descendants of Somerset slaves, picnicked on lawns canopied by swamp chestnut trees, hummed along with Negro spirituals and observed the re-enactment of a slave wedding.

Yet, despite the joyous mood and the lack of actual reminders of slavery at Somerset, where only a wooden marker indicates the site of the slave quarters, descendants inevitably reflected on their grim common heritage.

AP

Gloria Lowery-Tyrell, dressed as Harriet Tubman, the abolitionist, at the reunion at Somerset Place.

"P[illegible]aid they would hang people there," Mr. Baum recalled of his grandfather as he pointed to a row of sycamore trees. "I don't want to [illegible] about it. It gets to me."

[illegible] heritage Mr. Baum shares with the others began with a boatload of 80 African slaves that an Edenton businessman, Josiah Collins, and two partners imported in June 1768 to their newly purchased 100,000-acre (40,000-hectare) plot in the Great Alligator Swamp.

Set down on the shores of Lake Phelps, the slaves' first task was to connect that body of water to the Scuppernong River with a canal six miles (10 kilometers) long and 20 feet (6 meters) deep.

Many died in the effort.

Modern-day descendants belonged to Somerset only in terms of the heart, said the homecoming organizer, Dorothy Spruill Redford.

"From this day forward, there will always be a shared recognition," she told the crowd. "They'll think of the Josiah Collins family, but they'll think of my family too." Somerset plantation, she said, "is a living monument to ordinary folks — to our toil, our lives, our lineage."

The real force behind the event was Mrs. Redford, 43, a social services supervisor from Portsmouth, Virginia, who began researching her family tree 10 years ago.

Like many descendants, Mrs. Redford, a native of nearby Columbia, North Carolina, had never known her connection to Somerset Place. It took her five years of record searches to discover it. Eventually, her odyssey through faded court records and plantation inventories shook her to her core with the revelation of history's harsh realities.

"I believed everything I saw on TV" of slave life, Mrs. Redford said. "That people making love were alone. That there were neat little cabins with flowers on tables. It didn't dawn on me that 15 people could live in a space 18 feet square."

Her eventual tracing of Somerset's 21 slave families sprang from research into her mother's maiden name, Littlejohn. "In searching through property books in Chowan County, I found the bill of sale selling or transferring 30 Littlejohn slaves to Josiah Collins" in 1826, she said. "My mother and first cousin remembered names, and I saw those same names on the bill of sale."

Included were her great-great-grandmother, Elsy, and Elsy's first five children. Somerset had already bought Elsy's husband, Peter.

That was the family-oriented approach favored by Collins, the sole owner of the 5,800-acre plantation after 1803. Hardly able to control a slave population of intermarrying Africans and Americans that rose to 322 by 1862, Collins repudiated the family breakups of other slave owners in favor of a reward system, literacy and freedom of movement.

Those choices were not humanitarian, Mrs. Redford said; they were "management techniques."

To the background beat of African drums, descendants ate chitterlings and corn pone and forged new ties with kin never before seen.

"Today, I feel as if it were Christmas and I were waking up on Christmas morning," said Willis Phelps. "This is the one time in my life I can say where I started from."

"I'm the third generation in my family born free," Mrs. Redford said, "and I learned that I wasn't talking about something ancient" in speaking of slavery. "It makes you think of the monumental accomplishments in two generations."

Mysterious Mission of the Pia Vesta: Destination of Arms Remains Unclear

By Alan Riding
New York Times Service

LIMA — A small cargo ship flying the Danish flag radioed the port of Callao on June 6 to say it would be docking shortly. Hours later, it turned around, sped north and left in its wake a mystery of conspiracy and corruption that has kept Peruvians entertained since.

Officials here said that President Alan García Pérez had been tipped off by the U.S. Central Intelligence Agency that the ship, the Pia Vesta, was carrying contraband Soviet-bloc weapons for possible delivery to terrorist groups, and that when the vessel arrived at the port of Balboa on June 14, Mr. García asked the Panamanian authorities to seize it.

But while inspection confirmed that its cargo had indeed been loaded in East Germany and comprised 32 trucks, 1,500 Kalashnikov automatic rifles and 1,500 anti-tank rockets of Soviet design, its owner seemed to be a Miami-based U.S. arms dealer and its buyers anything but leftist guerrillas.

The plot, though, had only just begun and, as contradictory clues, forged documents, cover-ups and an amazing cast of characters emerged over the next 10 weeks, everyone from local reporters and a special congressional commission to the Foreign Ministry and Peru's eight competing intelligence agencies all offered widely different versions of what had happened.

According to documents available in Peru, the cargo was sold by the East German state trading company, I.M.E.S., although the real identity of its buyer was disguised through use of "paper" companies. Officials in Lima say the cargo was originally a donation to Mozambique, but when the Pia Vesta left Rostock, East Germany, on May 6, its documents stated that 32 trucks and spare parts — with no mention of weapons — would be delivered to the Peruvian Navy in Callao.

When the ship was seized in Panama, however, the bill of lading had been revised to say it was to be unloaded in Balboa and delivered to General Adolfo Blandón, chief of staff of the Salvadoran armed forces, at Acajutla, El Salvador. In addition, signed and notarized documents said the cargo had been loaded in Callao, even though the Pia Vesta had not come within 40 miles (65 kilometers) of the port.

As soon as both the Peruvian Navy and the Salvadoran Army said they had no knowledge of the shipment, the Panamanian military confiscated the cargo as contraband. But the arms dealer, David Duncan, then came forward to claim it as his own and to declare he had found a new buyer, reportedly the Honduran Army, for the vehicles and weapons.

Mr. Duncan, who said he is not registered as an arms dealer in the United States because he does not sell American weapons, told a Peruvian weekly, Caretas, that the cargo had been destined for the Peruvian Navy. But he added that the navy had not informed Mr. García of the purchase and pulled out of the agreement at the last minute when officials learned of the Pia Vesta's imminent arrival.

Some Peruvian politicians said they were willing to believe this explanation. But the story still had loose ends, among them the fact that the single document linking the purchase to the navy carried the forged signature of the Peruvian naval attaché in Washington, Rear Admiral Julio de los Ríos.

Other sources said that the Peruvian navy, unlike the army and air force, has always refused to acquire Soviet-bloc weapons.

By now, politicians said, the government had either joined the cover-up or was as confused as it appeared.

And with every newspaper reader seemingly determined to break the case, multiplying rumors have offered a new range of explanations: that the Pia Vesta had headed for Callao to disguise its real destination; that the weapons were to be resold by the Peruvian Navy; that the CIA was "setting up" the García administration to show Peru was trafficking in Soviet-bloc arms, or that, from the beginning, the weapons had been destined for the U.S.-backed anti-Sandinist rebels.

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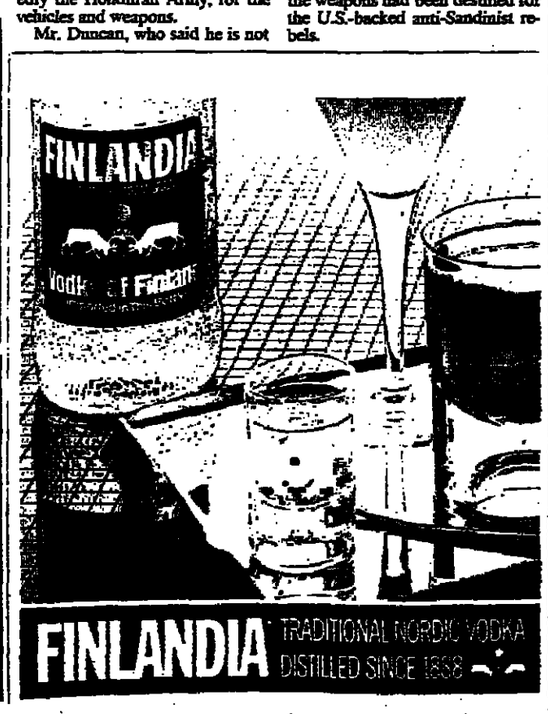

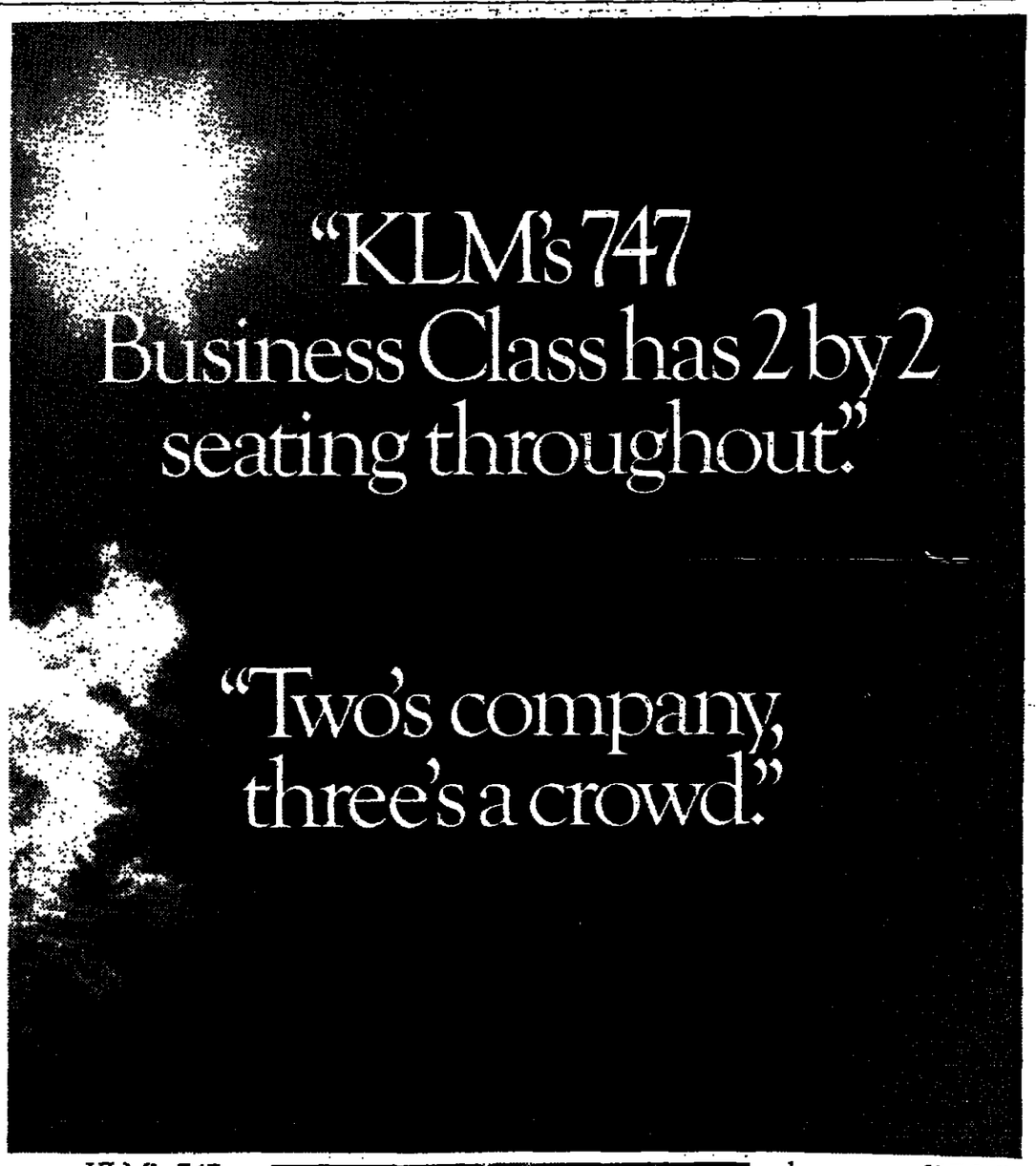

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Herald Tribune INTERNATIONAL
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To Keep Japan Flying

Even its own government now recognizes that Japan's supersonic boom has ended, leaving the economy stagnant. Indeed, falling exports and investment, with some rise in unemployment, make Tokyo's official analysts wonder whether recession may be near.

This will please none but surprise few. The yen has floated up vastly (some 40 percent against the dollar in a year), and revaluation obviously weakens an economy if home demand does not accelerate to offset the intentional weakening of exports. Such an acceleration seldom takes place spontaneously. So, unless the whole economy is going to slow down, the revaluing country needs stimulus from government action. The mirror image holds good for countries whose exchange rate falls: They will suffer from excess demand unless the government acts to hold back purchases at home. Can Japan produce the rabbit out of the hat needed to prevent declining exports from putting the whole economy into a tailspin?

There is much talk in official Tokyo about recondite, almost subliminal measures to persuade consumers to change habits, encouraging them to save less and spend more. These are unlikely to bear early fruit. Japanese will not reduce their savings habits quickly. They rely on them to educate their children, support their parents and provide for their own old age.

When, as in Japan, citizens save more than local enterprises want to borrow, the only way to avoid either a continuous big foreign surplus (Japan has already run one, to the despair of the world, for four successive years) or a depressed economy (as is emerging now) is for the government to borrow more. This is why Japan's insistence in recent years on reducing its government borrowing speedily serves it and the world ill. The government promises some sort of policy realignment in mid-September. Will it be adequate?

What is needed is an enduring boost by the budget to home demand, whether by cutting taxes or by raising public spending in the myriad directions desirable to bring Japanese living standards up to those of America and Europe. What will not be adequate is a rerun of previous packages that simply move existing public spending plans a few months forward without expanding their total. That shores up home demand only temporarily — robbing 1987 to give 1986 a brief lift.

It is fashionable to claim that pushing up an economy by expansionary budget policy does not work. The early Reagan years belie this. Washington pushed too hard, creating a savings gap (American savings are low) that could only be bridged by heavy borrowing abroad, thereby raising the dollar too high and hurting U.S. competitiveness. Japan, with its heavy savings, is in a far better position than the United States was to embark on such a course. If it does not take this path to revive jaded business conditions at home, the Nakasone government will be doing a disservice to its own citizens and, as the second largest non-Communist economy, to the world as a whole.

Japan has flown fast, fueled by other countries' imports, for many years. Now it needs to keep airborne by fostering demand at home. The change of impulsion will not be automatic.

INTERNATIONAL HERALD TRIBUNE.

Clampdown in Bolivia

Until last week the Bolivian government of Victor Paz Estenssoro was Washington's prize example of responsible democracy, both for its austerity economics and for its fight against cocaine. Now the example is turning into an embarrassment, as the government in La Paz declares a state of siege and rounds up important critics.

This poor, isolated republic in the Andes has endured, on average, more than one coup a year. Many of its generals, labor and business leaders, drug barons and civilian politicians pay only lip service to democracy's ground rules. Yet Mr. Paz Estenssoro, an old revolutionary, has campaigned successfully against hyperinflation and against the huge cocaine economy, without trampling constitutional rights. That showed good sense. Over the long run such efforts require the kind of popular cooperation that only real democracy can yield.

The latest trouble began when the government, faced with collapsed world prices for tin and a treasury bled dry by subsidies, moved to close some of the tin mines and privatize others. It took courage. Mr. Paz Estenssoro's 1952 revolution was swept to power by organized tin miners. Nationalizing the mines was among his proudest early accomplishments. In the following decades governments came and went but the tin miners remained a formidable force.

Now, however, President Paz Estenssoro has turned from democratic courage to undemocratic crackdown. With the miners once again marching on La Paz, peacefully, he overreacted, declaring a state of siege and sending troops to block the march and arrest the mine workers' leaders, clerics and politicians. All political and union activity has been prohibited.

A similar crackdown last year gave the government initial breathing room to institute its bold economic plan. That proved a justifiable exception. This repetition, however, seriously threatens a fragile democracy, and with it the considerable progress that Mr. Paz Estenssoro has brought. The United States, whose soldiers are even now cooperating with Bolivian forces in drug raids, needs to make its disapproval clear.

— THE NEW YORK TIMES.

Nature Can Be Helped

The modern world reveres "natural." It is a vitalizing adjective, a signal of beneficence in fruit juice or bran cereals, a guarantee that subtle man-made poisons are absent. Mother's milk is natural, spring water is natural, organic tomatoes are natural. But so is the poisonous gas that has erupted from a lake bottom in Cameroon, claiming 1,500 lives. As with the radon gas now known to menace millions of American homes; as with the earthquake that shattered Mexico City; as with the volcanic mudslide that killed 21,000 Colombians, nature can still shock and horrify us.

There is a dual lesson here for those who sentimentalize nature and demonize human technology. Those who are farthest from the jungle are most likely to idealize the impersonal workings of the rain forest and to indict humans as mere polluters. Mankind and his works are deemed immoral, in shaming contrast to an Edenic natural order. But this credo is lopsided. It does justice neither to nature nor to humanity.

The cult of nature has its deeper sources in the teachings of Rousseau and the romantic poets, its modern form owes more to the disasters of our own age: Hiroshima, DDT, Bhopal, Chernobyl. These are not phantoms. Small wonder that so many people flock to the green environmental banner. But it is possible, without deciding the impulse, to challenge its extravagances.

To African villagers or Asian peasants, nature is not a friend but a hostile force to be propitiated. Salvation lies not in organic gardening but in fertilizers, pesticides and fungicides, indeed the very stuff produced at Bhopal. If the green revolution has created food for millions, it is because science has tamed nature. If more Third World children survive infancy, it is because man-made medicine has prevailed over nature.

Technology, when misused, poisons air, soil, water and lives. But a world without technology would be prey to something worse: the impersonal ruthlessness of the natural order, in which the health of a species depends on relentless sacrifice of the weak. Nature remains what it was to Tennyson, "red in tooth and claw."

There is nothing inherently virtuous in nature, or inherently immoral in turning a jungle into a garden. On the contrary, as Darwin's disciple Thomas Henry Huxley put it: "That which lies before the human race is a constant struggle to maintain and improve, in opposition to the State of Nature, the State of Art of an organized polity; in which, and by which, man may develop a worthy civilization." Improving that polity is a better memorial to those killed in disasters than idealizing the killer.

— THE NEW YORK TIMES.

Other Comment

Gadhafi in the Sights Again?

That old American habit in international affairs of "destabilizing" hostile governments is rearing its head again. The Europeans should resist it, and in fairly blunt terms. It is easy to forget that the last raid [on Libya] cost the lives of innocent civilians and children. You have to plead very peculiar circumstances indeed to kill and maim in another country as a deliberate exercise of military might.

Terrorism, as has often been said, is a deep-rooted phenomenon of our times, best restrained by vigilance on the ground and effective action to stop the trade in arms and the movement of suspects. Military barnstorming by America won't solve it. But then nor will an underplayed performance by an indecisive and divided Europe.

— *The Observer (London).*

The same people who think that punitive measures are absolutely required to bring [South Africa's President] Botha to his knees cannot wait to point out why such medicine would make no moral or practical sense against [Colonel] Gadhafi. [But] terrorism and communism are genuine world problems, compared with which racism is relatively localized and anachronistic.

— *The Sunday Telegraph (London).*

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.
Directeur de la publication: Walter N. Thayer.
Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel.472-7768. Tlx RS36928
Managing Dir. Asia: Malcolm Glenn, 50 Gloucester Road, Hong Kong. Tel. 5-8610616. Telex: 61170
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S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
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OPINION

Gorbachev: The Man Becomes Interesting

By Stephen S. Rosenfeld

WASHINGTON — There were always two things about the word from the Kremlin. It was authoritative and it was dull. Its stalebread quality expressed nothing so much as the system's contempt for the poor folks expected to listen to it and to live under the system. One heard or read the speeches hoping not to drift into bored inattentiveness by the time the important part came.

It is news, then, that some of that is changing, and nowhere more than in the speeches of Mikhail Gorbachev. They are, well, interesting.

The substance goes beyond the usual propaganda, and the style has a vigor suggesting that a human personality sits behind the words. It makes one curious to learn who is writing his stuff.

> *The general secretary is starting to fill in a few of the blanks.*

Take his pronouncement of Aug. 18 on the "difficult" — catchy, that term — decision to suspend nuclear tests. There was boilerplate ("the very existence of the human race is at stake . . . "), but Mr. Gorbachev has been working up to an undeniable forcefulness and even eloquence in talking of nuclear peril.

"If someone still dares make a first nuclear strike," he said, "he will doom himself to agonizing death, not even from a retaliatory strike but from the consequences of the explosion of his own warheads." He observed that undertaking to eliminate nuclear weapons "means to pass a historic maturity exam."

Stretching but striving, he lumped together the Chernobyl and Challenger disasters and termed the pair "a brutal reminder of the fact that people were just beginning to master the fantastically potent forces they had themselves brought about."

Onward to the crude caricature of American politics ("The right-wing, militaristic group in the U.S. which represents the powerful military-industrial complex is just crazy about the arms race"), which does appear to be the authentic Gorbachev, and which imparts grave doubts about his grasp of the American scene.

Yet immediately he passes on to an insightful warning that Americans may underestimate Soviet capabilities and overestimate their own — a tendency "which nourishes technological self-confidence and political permissiveness."

Two days earlier, Ronald Reagan had declared that his Strategic Defense Initiative had brought the Russians "back to the negotiating table at Geneva." Revealingly sensitive, Mr. Gorbachev responded that "some American politicians" were suggesting that the growth of U.S. military power and the SDI had had this effect. An "erroneous" notion, he said.

Even more interesting, he cited "a troubled note" in Soviet comment on the Kremlin's unilateral testing moratorium, attributing the flutter (unconvincingly) not to Politburo skeptics but to "the letters and pronouncements of Soviet people."

As if somebody had wondered, he goes on to pledge that Soviet security is "sacred to us." On the matter of the SDI, he states that the United States could not hope either "to intimidate us" — a standard disavowal — or, a more intriguing reference, "to prompt us to needless expenditures."

Forgoing the pretense of claiming that the whole Politburo had agreed to the moratorium, he says simply that in extending it the Politburo had "comprehensively and scrupulously weighed all the pros and cons."

Now you may say that there is still a lot of hokum and abuse in General Secretary Gorbachev's speeches, and a lot of elisions, not to speak of the content of his policies.

If pressed, I might confess to a certain partiality for his talents as a speechifier on the basis of having had to struggle with the deadly prose of Leonid Brezhnev, and others too leaden to mention, for many years.

Nonetheless the man deserves credit. He may have his own reasons for addressing the Soviet public in this fashion, but Americans stand to benefit. As a correspondent in Moscow, I used to hear complaints that Soviet statements provided only "the line." My complaint was the opposite: that a full, adult account of the line, the policy and the elements going into it was what Soviet statements provided much too little of.

Mr. Gorbachev is starting to fill in a few of the blanks, and to show that a real political society, although one different from our own, is at work in the Kremlin. We need not worry that we will be snowed. If we pay attention we can learn something.

The Washington Post.

KAL 007: A Plea for the Facts

Today, Sept. 1, is the third anniversary of the downing of Korean Air Lines flight 007 by a Soviet fighter pilot, with the loss of all 269 passengers and crew members. There were 63 Americans aboard the plane.

The following article was written by members of the families of some of the victims. The writers are Nicola Truppin, Andrea Truppin, Nan Oldham, Brian McNiff, Alan Lebow, Betty Lim and Bill Stevens.

THE appalling circumstances in which our loved ones died were the worst nightmare realized. How many nights have we lain awake imagining the horror of their final moments? With no bodies recovered, we have been deprived of the healing ritual of a funeral service, and the intangibility of the unseen event keeps us in perpetual mourning. It is unanswered questions about the flight, however, that intensify our pain.

And while nothing can ever mitigate our condemnation of the Soviets' inhuman act, these questions suggest that some responsibility for the tragedy may lie closer to home.

How did the plane end up in Soviet airspace? Did it stray there unintentionally? If so, why was its pilot not guided back on course by U.S. radar operators or air controllers?

Why was the National Transportation Safety Board, which normally investigates air disasters in which the United States has an interest, ordered off the case?

Why did the air force destroy relevant radar tapes?

Why did the pilot of KAL 015, who flew parallel to 007 for much of its flight and relayed false position reports for the doomed plane, suddenly become unavailable before he was to be questioned under oath by attorneys for the bereaved families?

Why were an author and publisher of a book about the disaster threatened with prosecution by the director of Central Intelligence?

The only official investigation of the disaster, which was carried out by the International Civil Aviation Organization, laid the cause of the plane's deviation from course to pilot error and/or equipment failure. But the ICAO did not have access to the full body of information and its conclusions could not even be endorsed by its own specialists, the Air Navigation Commission. Why are we expected to accept these findings?

The U.S. Constitution guarantees Americans certain rights based on the concepts of freedom and the sanctity of life. If our government had any knowledge of the irregularities of the flight of KAL 007 before the shootdown, yet did nothing to prevent the tragedy, then the victims' most fundamental constitutional rights were monstrously violated, and the moral integrity of the Reagan administration must be seriously questioned. We feel betrayed by our government, whose silence, rationalized by the questionable claim of national security concerns, is beginning to resemble a deliberate cover-up.

Sixty-three Americans were on their way to the Far East to teach, study, vacation or visit relatives. They were brutally murdered. Our government's refusal to actively and honestly seek out the truth of this matter suggests a callous attitude that lives are expendable.

If the administration has nothing to hide, let it come forward to clarify the apparent contradictions between the available information and the official story. If it will not do so, it is imperative that a full-scale congressional investigation be undertaken. Armed with its subpoena power and the right to examine classified documents, Congress can uncover the truth and provide a clear perspective on the tragedy.

As long as these questions remain unresolved, no citizen who travels the skies is safe, and the memory of 63 Americans and their 206 fellow human beings will have been gravely violated.

The New York Times.

Nonaligned: Time to Jettison Outmoded Rhetoric

By Pranay Gupte

NEW YORK — The Nonaligned Movement turns 25 on Sept. 1, and leaders of its 101 member states can be expected to observe the occasion with robust rhetoric in Harare, Zimbabwe, at their triennial summit.

But the summiteers are unlikely to focus on the critical question facing the Nonaligned Movement today: Should the movement survive? At no point in its turbulent lifetime has it been more afflicted with frustration and impotence. There are deep divisions over ideology and tactics.

> *The movement needs to realign toward the center.*

The movement's primary value had been its growing numerical strength (its members represent more than half the world's population), its role as spokesman for such Third World concerns as development aid and anti-colonialism, and its potential moral weight as a pressure group for global disarmament.

Its founders' vision of Third World solidarity, mutual respect and neutrality in the East-West confrontation has been overcome by myriad disputes. Of the 140 or so armed conflicts since World War II, almost all have occurred in territories of member states, even if some have been proxy wars involving one or the other superpower.

Nonaligned states may agree on opposing the white minority regime in South Africa, but they seem able to agree on few other critical matters. Even in their much publicized call for a "new international economic order" they were unable to fashion a persuasive agenda for action.

But it would be mistaken to write off the movement as obsolete. The staggering number of people who live in the member states have urgent concerns about inequitable living conditions: poverty, environmental degradation, overpopulation, malnutrition, high infant mortality. The movement can serve as a catalyst for reinvigorated action to promote development in the Third World, curb population growth and expand education and health programs.

In an interrelated world, the economic and social well-being of Third World states is of growing relevance to the West. Political tensions and continued deterioration in the Third World promote illegal migration and terrorism. The Nonaligned Movement can identify issues that exacerbate global crises.

A new generation of Third World leaders must be given a chance to display its worth. President Miguel de la Madrid of Mexico and Prime Ministers Ranasinghe Premadasa of Sri Lanka and Rajiv Gandhi of India have innovative ideas about economic development, housing and food production. Their reading of the Third World's problems and future is more pragmatic than that of the movement's earlier generation of leaders, many of whom remained fastened to failed notions of socialism.

The newer leaders seem to be convinced that democracy and faith in the market offer better prospects for growth and equity for poor societies.

To rebuild its credibility, the Nonaligned Movement needs to realign toward the center. It must forge a better working relationship with Western countries that have the technology, capital and markets that the countries of the Third World are so desperately in need of.

The high-charged rhetoric of another era will not bring benefits to the members of the movement in a world governed by the hard realities of political and economic power.

The writer, author of books on global population problems and India, is completing a book on development in the Third World. He contributed this comment to the International Herald Tribune.

Afghanistan Changed the Tune

By Jonathan Power

NEW YORK — In the long history of our planet there have never been so many countries nor so few empires. This is progress, even if many people feel deafened by the cacophony, much of it criticism, at the United Nations or at Third World meetings like this week's nonaligned summit in Zimbabwe.

The nonaligned group, created in the 1950s by leaders of the postwar independence movements, was seen as a way of keeping the peace by offering the Third World nations a focus for alignment: each other.

One side of the movement has been a thorn in the side of the West, full of what U.S. Senator Daniel Patrick Moynihan has called "totalitarian language" condemning the West for economic hegemony, supporting Israel and South Africa and wasting funds on the arms race.

The Soviet invasion of Afghanistan changed Third World attitudes. A movement that had thrived on using the Soviet Union to beat the West was thrown off balance by Soviet disregard for the sovereign border of a fellow Third World nation. The change was profound. The Africans stopped backing the traditional anti-Zionist resolutions. Cuba had to withdraw its candidature for a seat on the Security Council.

Some of the old issues of discord seem to have drifted away. The Third World's effort to impose an undefined, deadening economic superstructure on the world's banking and trading system is on the back burner. So is Israel. Inevitably South Africa is very much alive and likely to be the main topic of discussion this week.

Yet even on this emotive issue the Russians find it hard to get a foothold. Rhodesia became Zimbabwe after a 10-year guerrilla war. Despite the passions raised by the Rhodesian conflict, the Africans made it difficult for the Russians to maneuver. It was clear that Africa preferred Western initiatives to break the deadlock. The same has been true in the case of Namibia, and it seems to be true now in the case of South Africa.

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Drawing by VALERRY.

South Africa: Sanctions Will Make It Hard to Rule

By Colin Legum

LONDON — The argument over whether sanctions will force the Afrikaners to give in or will only harden Afrikaner resolve often misses the main point. The telling effect of external pressures will be to deepen those internal pressures that so far have been the only factor in producing a willingness to change.

Internal pressures can have one of two outcomes. They will strengthen the resolution of President P.W. Botha and his supporters to press ahead more rapidly and more meaningfully toward a negotiated settlement, or they will strengthen the white rightist backlash and produce a regime determined to resist change by resorting to totalitarian military repression.

Neither of these possibilities can be ruled out. But it is possible, though, to forecast the likely outcome of sanctions in the short term, that is, within three to five years.

The immediate effect will be to force Pretoria to adopt a "siege economy" by pruning expenditure on "nonessentials" — housing and education for black South Africans, capital works programs and projects for industrial expansion and renewal. But a siege economy is a political and not an economic concept, and can be successful only in countries with a low level of industrial development. It is not feasible for a country as highly developed as South Africa to maintain such policies indefinitely.

Such measures would further slow South Africa's already sagging economic growth. The result of zero growth must be a steady erosion of industrial capacity and a rise in both black and white unemployment.

Although black unemployment is already high, throwing workers out of their jobs is bound to increase discontent and raise the level of black activist opposition. And a substantial increase in white unemployment, which has already become a feature of the economy, will increase rightist pressures on the Botha regime.

The effect of sanctions, therefore, will be to make the country increasingly ungovernable, thereby making it much more difficult for the Botha regime to survive. And the alternative to Mr. Botha is not a more liberal regime, but a more reactionary one.

At some point in the next two years or so, those who favor reforms (however timidly attempted) will have to decide whether to grasp the nettle and to engage in genuine negotiations, or to try to survive by putting South Africa under military rule. This latter decision would create a revolutionary situation — a stage that has not yet been reached — and open up the prospect of a chaotic and violent racial struggle.

> *It is wrong to believe that Botha is not committed to power sharing.*

It is wrong to believe that President Botha is not genuinely committed to power sharing. But he wants to stay in control of the process of determining the extent of redistribution of power. It is possible that he may at some stage be prepared to move forward more decisively.

This will certainly not be while he is in his present mood, which is to demonstrate to the outside world and, more importantly, to his opponents on the right, that he will not be pushed into political reforms under foreign or violent pressures. The next six months are likely to find Mr. Botha at his most defiant.

The writer, a syndicated columnist, is a veteran commentator on African affairs.

Zaire: Rights Abuses Must Be Curbed

By Anthony W. Gambino

WASHINGTON — The United States has begun to deliver approximately $15 million in covert aid to Jonas Savimbi's Angolan rebel forces. Evidence indicates that weapons are being delivered through Zaire, which has a long border with Angola and a history of allowing such deliveries. Washington has shown little concern for the consequences of its decision to aid the UNITA rebels.

By permitting the transshipment of covert, lethal U.S. assistance through his country, President Mobutu Sese Seko of Zaire gains a precious edge in his relationship with the United States. Its use of Zaire as a weapons depot gives him a kind of trump card, and the United States is now sure to find it much more difficult to intervene to restrain human rights violations by the Zairian security forces.

Mr. Mobutu is a long-standing ally of the United States and a particular friend of the Central Intelligence Agency. The agency's director, William J. Casey, reportedly visited Zaire early this year to arrange for covert transshipment of Stinger antiaircraft missiles and other weaponry.

This is not the first time that the CIA has shipped weapons to Angolan rebels through Zaire. The relationship began in the mid-1970s, when the agency started to support factions struggling for control of Angola. In 1977 and 1978, forces based in Angola twice invaded Zaire's mineral-rich Shaba province, and U.S. aid was instrumental in their defeat.

It has been a convenient friendship for the United States, but it is marred by Zaire's human rights record. As the State Department notes in its most recent Country Report on Human Rights Practices: "There is little question that mistreatment of detainees, particularly beatings at time of arrest and during preliminary interrogation, is the rule rather than the exception . . . Abuses of all kinds are endemic in jails and prisons."

Since early 1985, Amnesty International has received reports of human rights violations committed by the Zairian armed forces in the southeastern part of the country. These have included torture — severe beatings and whippings with barbed wire — and extra-judicial killings.

Nor do political rights fare very well in Zaire. The country is by law a one-party state. In early 1986, supporters of a second political party were shot and wounded by security forces as they celebrated the release from detention of one of their leaders, Kanana Tshiongo.

Their rejoicing proved premature. Mr. Tshiongo, a former member of the National Assembly, was arrested again. In March, along with six other leaders of the opposition party, including the president of the Zairian League for the Defense of Human Rights, he was sent to internal exile.

For years the United States largely ignored these abuses. In the last few years, however, Washington has taken some measures to demonstrate concern, and has begun to complain through diplomatic channels.

Mr. Mobutu has responded angrily to criticism from the United States and Amnesty. Yet in more than 20 years of one-man rule he has demonstrated a keen understanding of power politics and a willingness to use harsh measures against his people. It is important that the United States, as well as other concerned countries, stress that the Zairian government and its security forces improve their human rights record.

The United States must look carefully at the consequences of its Angolan policy. What is the point of supporting the UNITA rebels, who claim to be fighting for freedom and democracy, if this means closing one's eyes to the abuse of freedom and democracy in neighboring Zaire?

The writer is a staff associate at the Overseas Development Council, a public policy organization, who spent three years in Zaire as a Peace Corps volunteer. He contributed this comment to The New York Times.

IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Museum Purge

PARIS — The French government announced [on Aug. 31] the penalties which it has decided to impose on those it holds responsible for the theft of "La Gioconda." M. Homolle, director of national museums, has been deprived of his post, as has the chief guardian, guilty of negligence. A further measure taken by the government is to subsoil the national palaces and museums to the control of the department known as the general inspection of finances. The idea is that the contents of the palaces and museums, though they cannot be represented by figures, constitute a large part of the riches of France and thus ought to be submitted to its control. The provisional museum director is to study measures of surveillance, discipline and choice of personnel, and order within the museum.

1936: New Dalai Lama

KALIMPOONG, Bengal — After two years' search by monks and soothsayers, the Holy Child into whose body the soul of the dying Dalai Lama is believed to have passed at the exact moment of his death has been discovered, according to reports from Tibet. The child will be the Dalai Lama. The thirteenth Dalai Lama died at Lhassa in December, 1933. The whereabouts of the infant are being kept secret although rumor attributes it to Mongolia, Manchuria or Southern Tibet.

PARIS — The Union Nationale Pour Une France Plus Grande, an association for naturalized Frenchmen and for foreigners wishing to become French citizens, has created a center of Documentation which will be open to the public, French and foreign. All information is free.

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OPINION

About a Great White Shark And Some Atlantic Salmon

By Tom Wicker

NEW YORK — The biggest fish story of the summer that unofficially ended this past weekend was the one about the 3,450-pound (1,565-kilogram) great white shark that didn't get away from Donnie Braddick and Frank Mundus, 25 miles (40 kilometers) south of Montauk Point in the Atlantic Ocean.

On Aug. 6 the two captains, having spotted sharks feeding on a dead whale, chummed the area over fresh butterfish. Mr. Braddick then hooked the monster on 150-pound test line, with a bait of whiting. Using a Penn International reel on a Sabre rod, he fought the man-eater for two hours before landing him.

This particular great white weighed nearly 800 pounds more than any other ever taken on sport-fishing gear. He was 16 feet 9 inches (5.1 meters) long, about 35 years old and his picture in The New York Times displayed a set of teeth as terrifying as the final scenes of "Jaws."

But the best fish story of the summer is one in which every fisherman from the bumbling amateur to the experienced fly-caster can rejoice — the return of the noble Atlantic salmon as far north as the White River, a tributary of the Connecticut, and more than 250 miles from the sea. Here is a true triumph of concern for the environment and the protection of species, and an achievement of the new science of genetic engineering.

The promise — not yet fully realized — is for a significant restoration in nature's scheme of things, not to mention the possibility of some wonderful sport. In mid-July a single one of these beautiful fish, one of the world's most prized for game and food, was spotted in a pool near the Dobbs Bridge at Stockbridge in central Vermont. A warden, Stanley Holmquist, did not fail to recognize the significance of the sighting.

"My God, man," he said to the construction worker who had spotted a salmon in those waters for the first time in 200 years, "do you know what that is? This fish hasn't been around since George Washington."

Before the early 19th century, Atlantic salmon in mighty numbers swam up the Connecticut into the White and other tributaries, and hatched their eggs about where they themselves had been spawned. The newly born salmon, or parr, lived in the rivers for two or three years, then underwent a mysterious biological change that made them over into silver creatures called smolt. After that they headed down river to the sea, entering it through Long Island Sound.

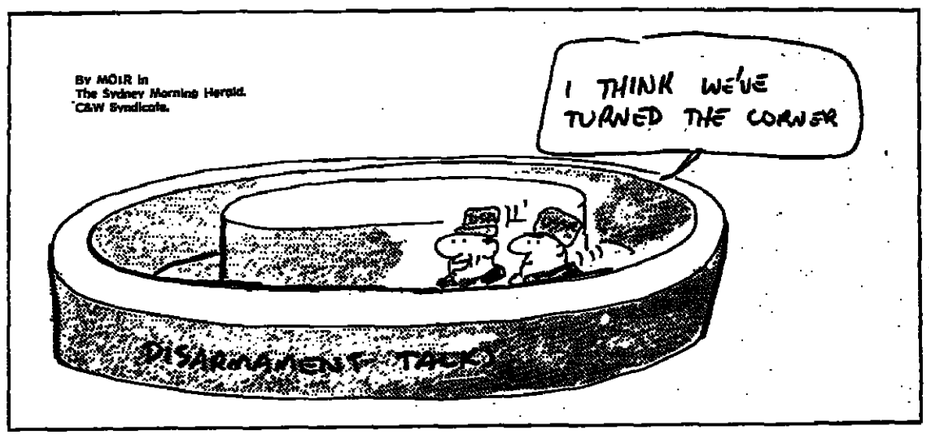
For several years they lived in the Atlantic, moving north toward Greenland. Then, in one of nature's most appealing miracles, the salmon returned to the Connecticut River, swimming up it or its tributaries to the waters where they had been born, there to make a new spawn and then return once more to the sea, possibly to live long enough for a second trip up the rivers.

The construction of power dams on the Connecticut in the early 19th century put a stop to this centuries-old cycle, and by about 1820 the Atlantic salmon was no longer to be found in New England rivers. But now some of the old dams have been removed and those remaining have been equipped with "fish ladders" that the salmon can climb.

At the same time, biologists in the Connecticut River Atlantic Salmon Restoration Program have been working nearly 20 years to develop a genetic replication of the salmon that once bred so bountifully in the river system. The fish found at Stockbridge in July was the first of these to swim down the rivers and out to sea and return so far north to spawn in the ancient fashion. It is not clear how swiftly or in what numbers others will follow, but more than 300 salmon are known to have returned this year to the Connecticut River system.

It is a slow process, but it now seems possible that salmon fishing in New England rivers may be possible again in the 1990s. When and if that happens, only fly-fishing is likely to be allowed in a summer season, and catch-and-release rules will be required for many years, perhaps always. That will only enhance the sport and the sense that, for once, men may have redeemed themselves a little in the cosmic eyes of nature.

The New York Times.



LETTERS TO THE EDITOR

Australia Is Hard Done By

Stone the crows! Willem P.J. Boichel, writing from Finland (*Letters, Aug. 16*) that Australia "shouldn't complain" about U.S. wheat sales to Russia, must have seen that mythical beast, a bunyip.

Australia has been a loyal friend of the United States for over 45 years. Brisbane was a center of General Douglas MacArthur's "I shall return" campaign during World War II. Australia went "All the Way With LBJ" during the Vietnam War. Australia hosts three top-secret U.S. bases. Australia went along with the Moscow boycott of the Olympic Games in 1984, at great human cost to its sportsmen and women.

Despite this loyalty, Australia gets taken for a ride. In the last 10 years its highly protected manufacturing sector has been nearly dismantled, causing unemployment but allowing cheaper imports. Meanwhile the country is an efficient primary producer.

Australia would welcome it if other countries reciprocated by removing their tariff barriers. Free trade in agriculture would help Third World republics trade more efficiently — more than expensive loans or foreign aid. If the European Community, Japan and the United States did away with agricultural subsidies and let their industry compete as Australia's manufacturing sector has to, there would be a more even distribution of the world's wealth.

Mr. Boichel is wrong in his statements on aborigines and immigration. Australia, like other countries, has difficulties with certain groups. In Queensland, land rights are a sore point, but, on the whole, Australia has gone out of its way to encourage the aborigines. The "white Australia policy" was abandoned many years ago. Australia is a multicultural, multiracial and fairly tolerant society. There are even Finns in Brisbane.

COLIN KENNARD.
Basel.

Sorrow in Retrospect

Regarding the opinion column "Genocide in the Ukraine" (Aug. 20):

Will someone 50 years from now write about a "debt of remembrance" in regard to Afghanistan?

JOAN ATKINS.
Paris.

This Season's Villain

L. Bell (*Letters, Aug. 4*) is perfectly right in drawing a parallel between South Africa and Israel, but he is not quite fair. It is true, as many exasperated readers have obviously noticed, that you have lately been devoting an awful lot of space to South African affairs. But as soon as current Soviet objectives regarding sanctions against South Africa have been attained, the previously predominant treatment of Israel as a favorite villain will resume in your columns.

L. MARTIN
Paris.

'These Unfortunate People'

Robert Anders, having read your review of "The Gentleman From Maryland: The Conscience of a Gay Conservative," asks why "these unfortunate people" are called "gay" (*Letters, Aug. 12*). He might be chagrined to find that the typical gay would prefer to accept his fate as a homosexual rather than choose to become a bigot.

R.C. ALLEN.
Amsterdam.

Aphorisms for an American Labor Day:

LABOR can do nothing without capital, capital nothing without labor, and neither labor nor capital can do anything without the guiding genius of management; and management, however wise its genius may be, can do nothing without the privileges which the community affords.

— W.L. Mackenzie King in Montreal in 1919.

If capital an' labor ever do git t'gether
it's good night fer th' rest of us.

— Abe Martin, 1868-1930.

Let us have "sweet girl graduates" by all means. They will be none the less sweet for a little wisdom; and the "golden hair" will not curl less gracefully outside the head by reason of there being brains within.

— Thomas Henry Huxley in 1865.

You may tempt the upper classes
With your villainous demitasses,
But Heaven will protect the working girl.

— Edgar Smith, 1857-1938, in "Heaven Will Protect the Working Girl."

The more is given, the less the people will work for themselves, and the less they work, the more their poverty will increase.

— Leo Tolstoy in January 1892.

From each according to his abilities,
to each according to his needs.

— Karl Marx in 1875.

In order that people may be happy in their work, these three things are needed: They must be fit for it. They must not do too much of it. And they must have a sense of success in it.

— John Ruskin in "Pre-Raphaelitism," 1851.

Labor disgraces no man; unfortunately you occasionally find men disgrace labor.

— Ulysses S. Grant in a speech in Birmingham, England, in 1877.

I don't like work — no man does — but I like what is in work: the chance to find yourself.

— Joseph Conrad in "Heart of Darkness," 1902.

A man is rich in proportion to the number of things which he can afford to let alone.

— Henry David Thoreau in "Walden," 1854.

Be nice to people on your way up because you'll meet 'em on your way down.

— Wilson Mizner, 1876-1933.

The New York Times.

Born Into a Nasty Triangle Courtesy of Womb Business

By Barbara Roessner

HARTFORD, Connecticut — Mary Beth Whitehead was trying to keep her composure under the intense questioning of a television interviewer. She was trying to explain, in a quiet and quaking voice, why she had agreed to be a surrogate mother and why, after giving birth to a 9-pound, 2-ounce (4.1-kilogram) girl, she reneged. "My head was telling me one thing," she said. "My body was telling me something else."

MEANWHILE

William Stern is the father of the baby. It was his sperm with which Mrs. Whitehead was artificially inseminated and it is to him and his infertile wife that Mrs. Whitehead contracted, for a fee of $10,000, to put head over body, mind over heart, intellect over instinct, and relinquish the infant at birth.

Instead the head succumbed and she absconded with the child.

Mr. Stern, who I'm sure has no less visceral a bond with his offspring, won a court order for temporary custody. Now he is trying to hold Mrs. Whitehead to her initial contract and, failing that, to win permanent custody of the baby.

And so, for the first time, U.S. courts must decide whether a contract for surrogate motherhood is enforceable. Does such a contract violate laws against baby-selling? Can a woman sever her parental rights before giving birth?

I would call the baby girl by her name, but she doesn't have one. She has three. To Mrs. Whitehead she is Sara Elizabeth Whitehead; to Mr. Stern, Melissa Elizabeth Stern; to the court, Baby M.

To me she is the ultimate casualty of head vs. heart, intellect vs. instinct, Stern vs. Whitehead — the victim of a conflict that ought not to have occurred.

The term surrogate mother, coined — when else? — in the early '80s, is in itself an embodiment of the conflict. A surrogate, by definition, is a substitute. But is a woman who carries a fetus for nine months — in Mrs. Whitehead's case, gaining 51 pounds, enduring high blood pressure and phlebitis — and then gives birth to and nurses her baby, as Mrs. Whitehead did, a substitute mother? She is as close to the real thing as a woman can get, it seems to me. She is a mother.

The experts on so-called surrogate mothering — the ones who run the centers that link the surrogates with the infertile couples, provide the medical, legal and psychiatric counseling and no doubt make a decent buck in the process — say they are offering a much needed option to barren couples desperate for children. And they have a point.

I am lucky enough to have had a child of my own, but I am not unfamiliar with the anguish of infertility. I have seen friends subject their bodies — and their hearts — to the endless probing of thermometers, needles and the like. But while I have some inkling of how hurtful it must be to be unable to conceive, I still cannot fully grasp why they are so bent on reproducing themselves.

Is adoption really such a terrible alternative to propagation?

Surrogate mothering is only a more extreme form of this war between intellect and instinct that reproductive technology has wrought. Women who want to bear children without male partners, for example, can purchase the sperm of anonymous donors. And fertile couples who achieve pregnancy are routinely offered tests to determine the sex and health of their fetuses; implicit in this is the option of aborting a fetus that does not meet their, or society's, standards. As much as I advocate its continued legalization, I believe that abortion violates women's and men's souls.

In the case of Stern vs. Whitehead I sympathize with both sides. But a woman who thinks she can lease her uterus without emotional and psychological consequences is denying her essential humanness. And a man who thinks he can artificially impregnate a surrogate and then lay sole claim to the offspring is equally inhuman.

Women are not wombs for rent. Men are not semen in a jar. And, finally, babies are not products.

Over to the courts. I wonder who Baby M. will be: Sara Elizabeth Whitehead or Melissa Elizabeth Stern?

The Hartford Courant.

Pregnancy Becomes A Service Industry

A BABY is not a piece of goods. At the very least, a mother should have a few days after delivery in which to change her mind. If she does, she should have an equal right to custody.

Would that muddy any agreement for surrogate motherhood, increasing the risks for the couples who want a child this way? Absolutely. A biological father could end up without even visitation rights. But the opposite scenario is more unsettling. If a mother can legally turn over the rights to her womb; then the ethic of the marketplace has won. Pregnancy becomes a service industry, and babies are a product for sale.

I do not know what the end of this story will be for Baby M. I suspect that the "M" stands for "messy." The Sterns, the Whiteheads and the baby girl have formed an emotional triangle.

They have also become the stars of a cautionary tale about the surrogate motherhood industry. Be wary of people with contracts in their hands who promise a real easy deal on a brand-new baby.

— Ellen Goodman in The Boston Globe.

U.S. Is Reportedly Close to Naming First Black Envoy to South Africa

By Bernard Gwertzman
New York Times Service

WASHINGTON — The Reagan administration has tentatively decided to nominate Edward J. Perkins, a career diplomat, as the first black U.S. ambassador to South Africa, according to administration officials.

They said details of the nomination had not been completed and that the White House had not given final approval. But they said that, barring some unforeseen problem, Mr. Perkins would replace Herman W. Nickel in Pretoria. In South Africa, the U.S. Embassy announced Friday that Mr. Nickel would be leaving in October.

Mr. Perkins is now ambassador to Liberia.

Officials said they expected Mr. Perkins's nomination to be part of an effort by the White House to regain the initiative on South Africa in the face of strong sanctions bills passed in the Senate and House of Representatives over President Ronald Reagan's objections. They said Mr. Reagan would announce the new envoy and also renew the limited set of sanctions against South Africa that he imposed on Sept. 9, 1985.

Mr. Perkins, 58, was brought back to Washington for talks with administration officials this month, officials said. They said he had been asked if he would take the assignment to South Africa. He is now back in Liberia.

The administration is waiting for background checks to be completed. It was not known if the South African government had formally agreed, but officials previously said Pretoria had told Washington it would raise no objections to naming a black to the post.

In an effort to demonstrate its desire to help bridge the divide between whites and blacks in South Africa, the administration first planned to name a black as ambassador last month. The original plan was for Mr. Reagan to make the announcement in a speech on South Africa on July 22.

But the first choice, Robert J. Brown, a businessman from High Point, North Carolina, withdrew his name from consideration on July 21 after questions arose about his business dealings. He had served as a White House aide in the Nixon administration.

Because of the embarrassment caused by the choice of Mr. Brown, the administration has sought to limit publicity about its nomination process. There was no official confirmation of Mr. Perkins's nomination Friday.

In looking for a new envoy, the administration examined a list of several blacks, including Mr. Perkins and Terence A. Todman, another career diplomat, who is ambassador to Denmark.

But officials said Friday that Mr. Todman had shown no interest in the assignment and had not been offered it. Mr. Todman, in fact, recently criticized the administration's policy toward South Africa.

State Department officials Friday praised Mr. Perkins and said they were confident he would be able to withstand the pressures expected from those questioning the wisdom of naming a black as ambassador to South Africa.

Some prominent American blacks, including the Reverend Jesse L. Jackson, have said it would make no sense for a black to accept the post unless there also was a tougher administration policy toward the Pretoria government.

Reuters-UPI
Edward J. Perkins

New Greek Envoy to Cuba Takes 'Firsts' in Stride

By Henry Kamm
New York Times Service

ERMOUPOLIS, Greece — Greece has just appointed its first ambassador to Cuba. She is Elisabeth Papazoi, a structural engineer who holds university diplomas in town planning, applied computer information techniques and agricultural sociology and economy.

Miss Papazoi, 42, is Greece's first female ambassador. This is not the first time she has set a precedent in Greece, a country that is just beginning to overcome deep prejudices against women in public posts.

Four years ago, when the Socialist government of Prime Minister Andreas Papandreou broke with the tradition of naming only men as provincial prefects — the Athens government's top official in each of the country's 55 provinces — Miss Papazoi was in the first group of women prefects. Now eight of the prefects are women.

The prefecture assigned to Miss Papazoi was one of the most difficult. She administered the Cyclades, a province of 24 scattered islands.

Trying to obtain the same services for the 80,000 inhabitants of the islands that mainland Greeks receive has kept her so busy, she said, that it has left her little time to think of herself as a pioneer in the advancement of women.

"I'm very much used to not feeling different on a job because I'm a woman," she said in her office in Ermoupolis, on Syros island, seat of the provincial government. "I have felt quite at ease from the beginning. My mind is full of problems I have to solve, not with my personal situation."

Having worked as a civil engineer, including stretches in Iran and Iraq, Miss Papazoi has no hesitation about giving orders to male subordinates in a country where many professional women still often feel patronized by men. But the soft-spoken prefect confessed to one inhibition.

"I had one problem — I was not feeling at ease because of my age," she said. "I try not to give direct orders to older men. But when I have to, I do."

As a political appointee in a fiercely partisan country, Miss Papazoi can count on the full backing only of that share of the electorate that voted Socialist. But even conservatives acknowledge she is relaxed and puts others at ease. Before the present government took office, prefects generally were remote and out of the public's reach.

A daughter of what she calls the Athens middle class, she attended an American school at a headquarters of the North Atlantic Treaty Organization in Naples, where her father, a general, was stationed. She graduated from a Greek-American high school in Athens and completed her education at the University of Paris.

The Greek military dictatorship, as well as her stay in Paris right after the 1968 student movement, oriented her to the political left. But Miss Papazoi said she was a socialist who had never joined a party and could not see herself ever doing so.

Similarly, Miss Papazoi said, she had worked for an association of engineers but never in the women's movement, although she said she had always followed it sympathetically. "But I felt no personal pressure," she said.

"If women were massively in places where decisions are taken, I think the world would be far better and more peaceful," she said. "That's why this job has perhaps been the most important of my life. I have the power to do things, to settle concrete details. I'm unhappy when I can't find solutions."

Whatever else she has accomplished, Miss Papazoi has gained acceptance in the traditionally conservative islands. Makis Freris, the pro-Socialist president of the Ermoupolis City Council, said, "I think we shall have problems if we get a man next."

Use of Hypnosis by the Police Decried by U.S. Psychologists

By Philip J. Hilts
Washington Post Service

WASHINGTON — The American Psychological Association, concerned about the increasing use of hypnosis by police interrogators, has approved a resolution declaring that nonprofessionals should not use hypnosis or be trained to use it.

Dr. Eugene Levitt of the Indiana University School of Medicine said the resolution was prompted by "a sudden upsurge in the training of police" to use hypnosis and abuses that have resulted from the practice.

Psychologists opposed to the use of hypnosis by the police say that police officers can, even without knowing it, suggest to witnesses or victims what they saw. Those hypnotized may not only accept the false suggestion, but become firmly convinced that it is fact.

Dr. Levitt introduced the resolution Aug. 24 at a meeting of the association's policy-making council.

It is estimated that 5,000 to 10,000 police officers have taken courses in hypnosis and have used it in questioning to "refresh" the memory of witnesses, victims and sometimes even suspects in criminal cases.

The action by the psychologists, along with a similar action by the American Medical Association last year, is expected to lend weight to challenges by defense lawyers to the use of hypnosis, and to influence future court rulings on the subject.

Martin Reiser, one of the leading proponents of police use of hypnosis and director of the behavioral-science services with the Los Angeles Police Department, said the psychologists were "trying to declare hypnosis a medical or psychological domain."

"It's not," he added. "It's also an educational, forensic, investigational tool."

In the past decade, courts in 15 states have banned or restricted the use of hypnosis on people testifying in court.

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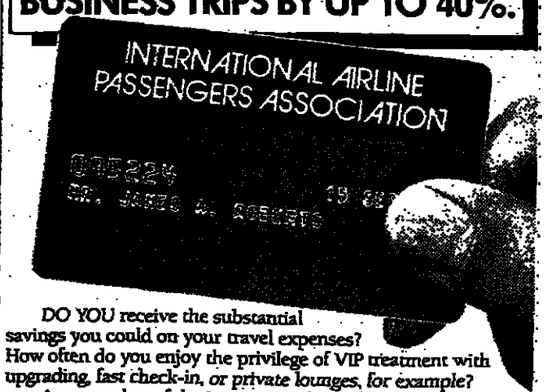

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Sri Lanka, Tamils Narrow Differences as Talks End

Reuters

COLOMBO, Sri Lanka — Talks aimed at ending Sri Lanka's ethnic conflict have narrowed differences on some issues, according to the government and moderate Tamils.

They issued their statements Saturday as 11 persons were reported killed in continuing strife.

A military spokesman said that seven soldiers had been killed by a land mine set off by separatist rebels at Kinniyai in eastern Sri Lanka.

Three guerrillas and a policeman were also killed in a clash near a railway station at Mannar in northern Sri Lanka.

Leaders of the Tamil United Liberation Front and President Junius R. Jayawardene concluded two weeks of talks on Friday night.

Mr. Jayawardene held 24 sessions with the group on his plan to yield some power to provincial councils in response to Tamil demands for autonomy.

"A consensus has emerged in some matters, while there has been a narrowing of differences on others," the government said in a statement.

The government's statement echoed a separate account of the discussions by the liberation front.

"In still others," the government statement said, "it was felt that there were matters suitable for resolution in a forum with greater participation of all parties and groups involved."

Neither statement said when or where more talks would be held.

The liberation front said: "Differences were narrowed down on certain issues, but no finality has been reached on important matters."

While progress had been made, it said, the front believed that "a durable solution can be achieved only if the discussions are expanded to included other concerned political groups and views."

It said that militant Tamils must now become involved in the negotiations.

Sources at the talks said that if the militants were to take part, the venue would have to be India or a third country.

They said the front had made no compromises on basic issues, particularly its demands for a "meaningful degree of autonomy."

The government, which is against the delineation of provincial boundaries, had also not compromised, they said.

■ Indian Role Called Crucial

Barbara Crossette of The New York Times reported from Colombo:

It is widely acknowledged here that only India, where Tamil guerrillas are based, can compel the militants to negotiate.

Velupillai Prabakaran, the leader of the Liberation Tigers of Tamil Eelam, recently called Appapillai Amirthalingam, leader of the liberation front, a "traitor."

The Liberation Tigers of Tamil Eelam is the strongest of several dozen guerrilla groups.

[Mr. Amirthalingam said Saturday in Madras, India, that the front would hold talks with about five Tamil rebel groups in Madras in an effort to persuade them to join a third round of peace talks. The Associated Press reported.]

Among the issues resolved over the past two weeks were how constitutional power would be passed to Sri Lanka's provinces, thus giving Tamils more rights, and how to apportion responsibility for finances and law and order.

Left unresolved, however, was what may prove to be the most difficult problem: the Tamil demand that the northern and eastern provinces be combined to give them a larger area of control.

Ethnic Tamils dominate the north but not the east.

On Friday, a Sinhalese Buddhist temple invited Mr. Amirthalingam to join in a peace service.

The Sinhalese, who are mostly Buddhists, make up nearly three-quarters of Sri Lanka's 16 million people. Tamils are predominantly Hindu.

Diplomats in Colombo said the government had begun a campaign to convince Sri Lankans that concessions will have to be made if violence is to end.

Sinhalese nationalists, led by Buddhist monks and the Sri Lanka Freedom Party of former Prime Minister Sirimauo Bandaranaike, are expected to resist almost any negotiated settlement.

The Tamils' political leaders, who like the guerrilla leaders live in exile, acknowledge that they cannot enforce a settlement without the agreement of the militants.

The militants are demanding an independent state in the north and east.

The war between the Sri Lanka armed forces and the Tamil guerrillas began nearly a decade ago.

It has left several thousand people dead.

The Associated Press

EARTHQUAKE BABY — Lucia Rojas Mendoza, who was born a day before the Mexico City earthquake on Sept. 19, 1985, and survived a week under hospital rubble, with the aunt who cares for her. The child's parents were killed in the tremor. Doctors say Lucia and other infants who survived were normal for their ages.

At Harvard, a 350th Birthday Bash

By Matthew L. Wald
New York Times Service

CAMBRIDGE, Massachusetts — To celebrate its 350th birthday, Harvard University is trimming the ivy, putting its best brains forward and even putting itself under the end of an inflatable plastic rainbow.

The rainbow, a multicolored series of helium-filled concentric arches, the largest of them 600 feet (180 meters) long, will span the Charles River on Wednesday at the opening of what the nation's oldest university describes as a five-day family celebration for 40,000 people.

The more cerebral events are a series of symposiums involving the shining lights of the Harvard faculty and a variety of experts from industry, government and other institutions.

They will deal with subjects ranging from "Protestantism, Puritanism and the Founding of Harvard," to "Medical Technology: Harnessing the Sorcerer's Apprentice."

"If you could go to all of them, it would be the equivalent of a Harvard education," said Thomas W. Stephenson, general secretary of the celebration.

Other high points include speeches by Prince Charles, who will deliver the main address Thursday on foundation day, and by the secretary of state, George P. Shultz, who will speak at a convocation Friday on "The University in a Changing World."

The U.S. Postal Service will issue a John Harvard commemorative stamp, with a value of 56 cents, for the founder of Harvard College.

The 1936 tercentenary was marked with conferences that lasted for weeks and delegations from hundreds of universities around the world. In contrast, the conferences this year will last only three days, and although the celebration will draw 10,000 to 15,000 alumni from around the country, it is not billed as an international event.

Harvard still has its Tercentenary Theater, surviving from its 1936 celebration, based on an Anglicization of the Latin *tercentesimum*, but this year the university will shy away from the Latin. The official emblem is a shield bearing the Harvard motto "Veritas" on top and the Arabic number "350" below.

A Latin phrase exists, said John Bodel, an assistant professor of classics at Harvard, but "this one is a mouthful," he acknowledged. It is *anniversarium tercentesimum quinquagesimum*.

An Anglicized version might be tercentennial quinquagesimal, he said, "but it's really nothing I've ever heard," he said. But that has not stopped several alumni from asking.

Another contrast to 1936 is that the celebration this year is more whimsical.

Parts of the commemoration will involve the more recent past. Tom Rush, a 1963 graduate, will recreate Club 47, a 1950s and 1960s coffeehouse that was just off Harvard Square, with the singers Bonnie Raitt, a former Radcliffe student, and Joan Baez, Livingston Taylor and others.

Kekkonen Dies at 85; Led Finns For 25 Years

The Associated Press

HELSINKI — Urho Kekkonen, who was president of Finland for more than 25 years and forged its policy of coexistence with Moscow and cooperation with the West, died Sunday. He was 85.

A son, Matti Kekkonen, said his father died peacefully at the lakeside presidential home in Tamminiemi where he had been allowed to continue residing after his retirement in 1981.

The cause of death was described as a "circulatory disorder of the brain."

Foreign Minister Paavo Vayrynen said: "History's incorruptible scales will weigh President Kekkonen's activity as a statesman even greater than we may even anticipate at this moment. A great statesman — perhaps the greatest in our history — is gone from among us."

Prime Minister Ingvar Carlsson of Sweden said: "Kekkonen's significance in Finland's postwar policy has been unique."

Mr. Kekkonen was elected president in 1956 and held the post until poor health forced his retirement on Oct. 26, 1981.

He was born Sept. 3, 1900, in Pielavesi, in eastern Finland. He received a doctorate in law in 1936 and entered politics the same year, winning a seat in the Parliament as a member of the Agrarian Party.

Mr. Kekkonen became a director of the Bank of Finland in 1946 and held the post for 10 years until he was elected president. He also was speaker of Parliament in 1948-50 50, foreign minister in 1952-53 and again in 1954. He was prime minister five times.

Mr. Kekkonen won the presidency in 1956 by the smallest margin possible in the electoral college, receiving 151 votes to 149 for K.A. Fagerholm, a member of the Social Democratic Party.

He was re-elected to six-year terms in 1962 and 1968. Special legislation extended his second term until 1978, and a year before it ended he agreed to become the candidate of six major parties and overwhelmingly won another term.

Mr. Kekkonen became the primary architect of a policy of having close ties with the Soviet Union but maintaining Western political, social and economic systems.

Finland has the longest European border with the Soviet Union — 790 miles (1,275 kilometers) — and was part of that nation for 100 years until the Finns revolted during the Bolshevik revolution in 1917 and won independence. Mr. Kekkonen fought in that civil war.

More Finnish-Soviet fighting occurred in the late 1930s, during the so-called Winter War when the Russians invaded Finland, and Finland fought with Germany against the Soviet Union during World War II to regain lost territory.

Finland was placed under an Allied Control Commission after the war, and Mr. Kekkonen struggled to have the country again recognized as a sovereign nation.

Knowing that the Soviet Union would be a major power after the war, Mr. Kekkonen said in a 1943 speech that Finland must not join any bloc opposing the Soviets. Finland signed an armistice with the Soviet Union on Oct. 15, 1944.

Working first with President Juho-Kusti Paasikivi and after 1956 on his own, Mr. Kekkonen pursued peaceful coexistence with Moscow and close cooperation with Finland's Scandinavian neighbors.

While Mr. Kekkonen worked to avoid problems with the Soviet Union, he also made Finland part of the European Free Trade Association in 1961 and concluded a trade agreement with the European Community in 1973.

In 1926, Mr. Kekkonen married Sylvi Uino, who later wrote "Amalia," a book translated into 10 languages that recounted a woman's plight in rural Finland. They had twin sons, Matti and Taneli. Mrs. Kekkonen died in 1974.

■ *Other Deaths:*

Alexander M. Dolgun, 59, an American who was grabbed from the streets of Moscow in 1948 and spent eight years in Soviet prisons, Tuesday of kidney failure in Washington.

Annie Powell, 79, who in 1979 in the Rhondda bureau council was the first Communist mayor in Britain, Thursday in Swansea, Wales.

Arturo Godoy, 72, the South American boxer who twice fought Joe Louis during a career spanning two decades, Wednesday of cancer and diabetes in Iquique, Chile.

Luc Novovitch/Reuters

President Daniel Ortega Saavedra of Nicaragua, right, in Harare with President Robert Mugabe of Zimbabwe.

Nonaligned Officials Fail To Agree on Some Issues

Reuters

HARARE, Zimbabwe — Third World leaders gathered Sunday in Harare for a summit meeting of the 101-member Nonaligned Movement apparently destined to be marked by internal divisions.

Foreign ministers of the group deferred further discussion Saturday of such important subjects as the Gulf war, Central America and southern Africa, indicating that differences were greater than they could reconcile.

More than 50 foreign ministers working on draft political and economic declarations for the six-day meeting decided to leave the three most contentious issues until after they had consulted their delegation heads, conference sources said.

African states complain that condemnation of South Africa in the drafts is not strong enough. Iran and Iraq reject a call to end their six-year war.

Most Latin American nations oppose a Cuban-backed bid by Nicaragua to take over leadership of the group in three years. Several want to tone down a pro-Nicaraguan and anti-U.S. note in the main political document.

Among those in Harare is Prime Minister Rajiv Gandhi of India, who is to hand over the chairmanship of the movement on Monday to Prime Minister Robert Mugabe of Zimbabwe for the next three years.

More than a dozen leaders arrived Saturday and 30 others are still expected, including President Fidel Castro of Cuba and Yasser Arafat, the Palestine Liberation Organization chairman, whose group is a full member.

A major plank in the draft reports, to be published at the end of the meeting as the "Harare Declaration," is a call for the immediate imposition of comprehensive and mandatory international sanctions against South Africa to force the end of apartheid.

However, Zimbabwe and other nations of southern Africa are heavily dependent economically on South Africa. Foreign ministers called Saturday for nonaligned nations to set up a "solidarity fund" to cushion the effects of sanctions on the black nations of southern Africa.

Some Detainees Freed In Bolivia Labor Unrest

The Associated Press

LA PAZ — Bolivian miners, students and factory and construction workers have ended a one-day strike protesting the nationwide state of siege, and the government has released some of the 162 persons it detained, according to officials.

President Victor Paz Estenssoro declared the siege Thursday, enabling soldiers to stop several thousand miners who were marching on La Paz, the capital. The miners were protesting the closing of state mines and the dismissal of thousands of workers.

Witnesses said the last of the marchers were placed on trucks Friday evening to be sent back to mining districts in Oruro, about 150 miles (240 kilometers) southeast of La Paz.

At the same time, about 20,000 workers walked off their jobs Friday at 23 operating state mines to protest the government actions. Many students and construction workers followed suit.

Walter Delgadillo, executive secretary of the leftist Bolivian Labor Confederation, the nation's largest labor federation, said the strike ended as planned Saturday.

He said the labor group "is in a state of alert and considering other measures against the government." He did not elaborate.

[Riot police patrolled the streets in the cities of Sucre and Santa Cruz over the weekend after clashes between the police and protesting students, United Press International reported.]

The 90-day state of siege, imposed Thursday, curtailed civil rights, banning demonstrations and strikes, suspending freedom of travel, imposing a midnight-to-dawn curfew, and allowing security forces to detain and arrest without judicial permission.

An official in the Interior Ministry, who spoke on condition of anonymity, said some of the 162 persons detained Thursday and Friday were being released. But he would not say how many.

At least 40 detainees were sent to internment camps in the jungle, Information Minister Hermán Antelo said Saturday.

The Roman Catholic Church, meanwhile, criticized the government crackdown on labor protests.

"The miners have been humiliated by the government," Bishop Julio Terrazas was quoted as saying Saturday in the church newspaper Presentia.

"Their demands are just and they should not have been treated this way," said Bishop Terrazas, who is president of Bolivia's bishops conference.

About 7,000 miners have been laid off since Mr. Paz Estenssoro's center-right government took office a year ago, and an additional 8,000 out of the total mining work force of 20,000 are expected to be dismissed.

The government said last week that it would close seven mines and lease nine others to miners' cooperatives because the mining industry has suffered heavy losses in recent months following a drop in the international price of tin.

Mr. Paz Estenssoro, in a nationally televised address Friday night, accused opposition groups of taking advantage of Bolivia's economic difficulties.

"They are not interested in the fact that tin, which we produce for $10 a pound, is sold in the international market for $2.48," he said. "What guides them is a defined objective to liquidate the actual government."

Mr. Paz Estenssoro said the government would create a public works program and relocate unemployed workers to other parts of Bolivia.

When Mr. Paz Estenssoro was sworn in as president last year, inflation was running at 20,000 percent, the highest in the world.

Stringent economic austerity measures has reduced the rate to 20 percent for the most recent quarter.

Mineral exports earned Bolivia about $300 million last year, compared with about $600 million for illicit exports of cocaine.

The cocaine industry was once considered an economic safety valve, but production has been disturbed recently by a joint Bolivian-U.S. campaign to wipe out laboratories where the coca leaf is processed. Bolivian soldiers are being aided in the raids by 170 U.S. Army troops.

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AVIATION

A SPECIAL REPORT

A New Generation Of 'Smart Skins,' X-Wing Craft Seen

By Richard Tuttle

WASHINGTON — The National Aeronautics and Space Administration is going through some hard times in the space end of its business, but the aeronautics half got a boost on Aug. 19 with the unveiling of an unusual but promising airplane, the experimental X-Wing. If the idea is successful, it will lead to aircraft that can take off and land like helicopters but can fly with the performance of conventional aircraft.

The plane features a stiff, four-bladed rotor that can be stopped in forward flight to become a fixed wing in the shape of an "X." The prime contractor, Sikorsky Aircraft, says the first flight will be this fall in California. NASA, the Pentagon and Sikorsky plan a 15-month test program, with the first "conversion" from fixed- to rotary-wing flight planned near the end of the test period.

If the X-Wing works, near-supersonic speeds for helicopter-like aircraft may become common.

Also generating interest in the aviation industry are the first tests of new jet engines for the U.S. Air Force's next-generation fighter plane, the Advanced Technical Fighter (ATF). Under current plans, Pratt & Whitney will ground test its ATF engine first, in mid-September, and General Electric will follow in December. The ATF will not fly for three more years.

Eyes are also on two new British Aerospace aircraft, a fighter being developed under the Experimental Aircraft Program (EAP) and the Advanced Turbo Prop (ATP) transport. The ATP flew for the first time Aug. 6, and the EAP plane made its first flight two days later. Both are slated to appear at the current Farnborough Air Show in England.

France's new Rafale fighter, whose flight tests began this summer, will also be at Farnborough. Israel, meanwhile, is developing the Lavi fighter and Sweden is working on the Gripen.

The technologies of these projects are representative of a range of new ideas for civil and military aircraft.

If the X-Wing works, near-supersonic speeds for helicopter-like aircraft may become common. And engines for the new U.S. fighter promise to be more powerful and less thirsty than today's engines, but with 40 percent fewer parts and twice as reliable. Also, fighters of the future may be able to shoot down several enemy planes at once, no matter what the weather, without being detected.

The idea of being able to fight without being seen is what drives the highly classified U.S. "stealth" program. An acknowledged beneficiary is the Advanced Technology Bomber (ATB), under development by the Northrop Corp. The plane is assumed to use new technologies intended to make it nearly invisible to radar, infrared and other detectors.

The ATB, said to be a flying wing, has apparently not yet made its first flight, although the date must be approaching because it is supposed to enter service with the Strategic Air Command in the early 1990s, and several years of testing would probably come before.

Examples of stealth technology for tactical purposes may already be flying under a program even more secret than that of the ATB. A hint that something is afoot is the U.S. government's sensitivity about a July 11 crash near Bakersfield, California. The crash site was closed off and the airspace above it was restricted for nearly a month. Officials would say only that a crewman died and that the accident occurred at 2 A.M. In a departure from the norm, they declined to identify the type of aircraft involved.

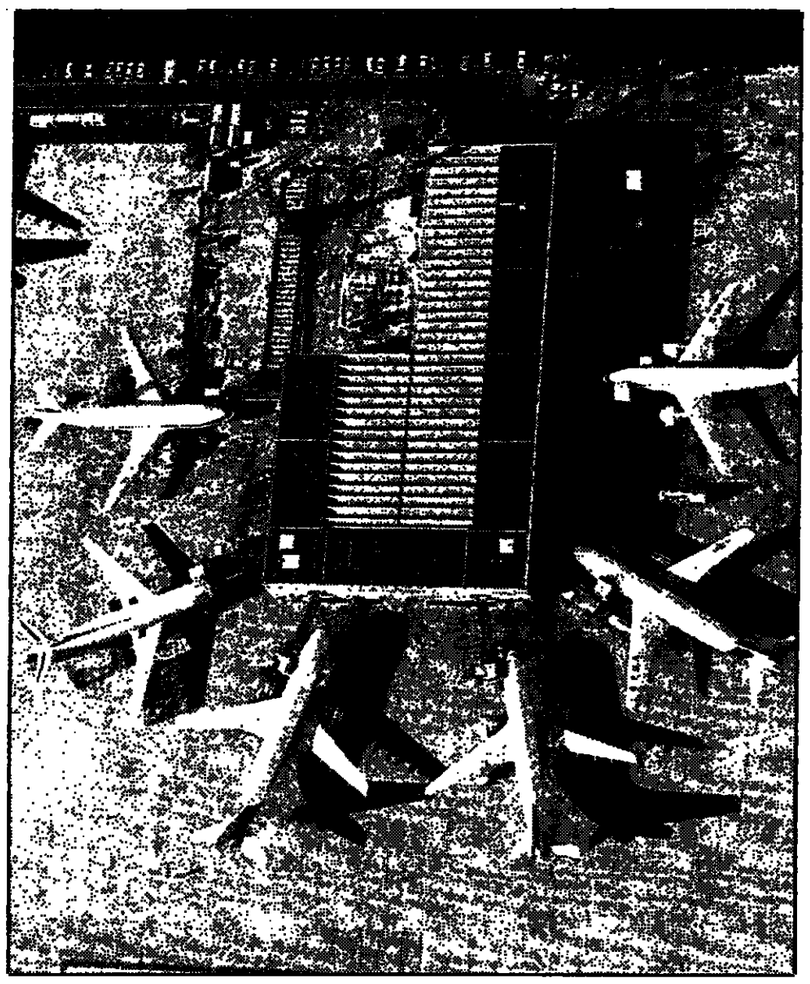
This attitude may reflect the seriousness with which the U.S. Air Force views the prospects of gaining superiority over Soviet fighters deep in their own territory — the mission of the ATF. ATF pilots would not only be faced by large numbers of Russian fighters, but would also have to avoid being shot down by ground-based missiles and guns of the Soviet air defense system, the densest in the world. The stealth aircraft would be charged with disabling that system.

Coming up with the best mix of stealth and maneuverability is one of the big challenges of the program. Trade-offs are necessary because making an aircraft invisible to radar can also make it a sluggish performer, but great maneuverability may not be an asset if it is easy to detect.

The air force will decide in October which companies it wants to proceed with the ATF program. Prototypes will fly for the first time in 1989, and the first squadron is to become operational about 1995. The Pentagon intends to buy 750 of the planes.

Maneuverability is one of the hallmarks of the experimental X-29A, developed by Grumman Corp. for the U.S. government. Its most distinguishing characteristic, wings that are swept forward, allows better maneuverability at dog-fighting speeds. The forward-swept

(Continued on Page 8)



Airbus planes being tested at the company's flight-test building in Toulouse.

World Industry Morose As Airlines Count Losses

By Axel Krause
International Herald Tribune

PARIS — The combination of slumping profits among world airlines and prospects for renewed cutbacks on military spending in the Western alliance has created uncertainties and apprehension in the world aviation industry.

What emerges, industry observers say, is a gloomy short-term outlook, particularly concerning the key customers — the airlines.

The combined losses of airlines belonging to the International Air Transport Association could easily reach an estimated $500 million this year, compared with total net profits of $900 million in 1985. And the losses could go substantially higher.

The reasons for the losses stem from sharp drops in U.S. traffic on the North Atlantic because of fears of terrorism in Europe, the nuclear accident in the Soviet Union, fare wars and excess capacity among most airlines.

Failures by U.S. and West European space launchers earlier this year also have contributed to the downcast mood in many sectors of the industry.

By contrast, senior executives and analysts in Western Europe and the United States were optimistic about the outlook for the industry's growth in both the civilian and military sectors from the end of the century on.

Asked for their projections during recent interviews in Europe and the United States, executives cited an anticipated 5.5-percent annual growth in passenger traffic by the world's airlines during the next 20 years, along with what they insisted would be growing requirements for more sophisticated, and highly profitable, military aircraft and weapons systems, including those for use in space.

"Steady growth in the years ahead — yes, but right now there is no euphoria," commented a senior West European executive.

In a related development, momentum has slowed in launching cooperative aerospace ventures among West European governments and industries. The reasons stem largely from hesitations over the multibillion-dollar funding that will be required at a time when Western Europe faces sluggish economic expansion and growing unemployment.

Renewed interest by the United States in collaboration on projects within the North Atlantic Treaty Organization also is raising doubts among policy-makers in Europe about how far Europe should go on its own in both the civil and military fields. The projects under consideration encompass such fields as a new generation of passenger aircraft, including military transport planes, fighters and helicopters, and possible development of a European-based system against tactical ballistic missiles that would be integrated into NATO's defense network.

André Giraud, France's defense minister, recently told U.S. reporters and Pentagon officials that he considered it "totally stupid" for France to try to build all of its weapons alone. A former industry minister known for his pragmatic approach, Mr. Giraud said he hoped France would buy more from foreign suppliers and that, by the same token, France would export more.

A crucial point is how France will develop its answer to the European Fighter Aircraft (EFA), a four-nation consortium planning a new fighter plane from which France withdrew last year. Although Dassault-Breguet's Rafale A demonstrator, France's initial version, has been successfully test-flown, both Dassault and the French government have been seeking partners to develop a prototype, known as the Rafale B. So far, only Belgium has expressed serious interest in the project.

Other potential partners, the Netherlands, Denmark and Norway, have indicated interest, but have also said that they would like to explore cooperation with the United States. The four countries are already partners in building the General Dynamics F-16 fighter, which they will seek to replace starting in the late 1990s.

EFA, whose demonstrator plane is expected to be test-flown at the Farnborough air show, has already established a consortium organization in Munich, grouping Britain, West Germany, Italy and Spain.

Probably the single most important factor shaping the current mood in the aerospace industry is the fierce competition fueled by

(Continued on Page 8)

Deregulation — Europe's Day of Reckoning Nears

By Gilles Merritt

BRUSSELS — "Prohibited as incompatible with the Common Market" is the phrase with which the Treaty of Rome proscribes cartels and all other such arrangements. Now, after about 30 years of special dispensation, the Economic Community's tough anti-trust rules are to apply to Europe's airlines, too.

This is the year that the vexed issue of airline deregulation in Europe has come to a head. The next few months will either see some significant changes in the price-fixing and market-sharing "pololi" operated by the national flag-carrier airlines or they will see some spectacular legal fireworks from which the airlines must emerge the losers.

The legal refuge behind which the European airlines have been sheltering was abruptly pulled down at the end of April, when the European Court of Justice in Luxembourg, the 12-nation community's highest court, handed down a landmark judgment. It upheld the case of an independent French tour operating company, Nouvelles Frontières, ruling that airlines are no less bound by the Treaty of Rome's competition laws than any other business.

Since then, events have moved quickly in contrast to the snail's pace with which civil aviation liberalization had been advancing before, due to the delaying tactics of the airlines and of most European governments. By July 10, the European Commission in Brussels had sent out formal letters to the EC's 10 leading carriers — Air France, Alitalia, Lufthansa, British Airways, Sabena, SAS, KLM, British Caledonian, Olympic and Aer Lingus. The documents set out the evidence that EC officials have gathered of the airlines' infringements of treaty rules.

"We have," commented Ireland's Peter Sutherland, the EC commissioner responsible for competition matters, "set out evidence of improper practices which contravene the EC competition rules."

By Sept. 10, the 10 national airlines (those of Spain and Portugal, Iberia and TAP, being excluded for the present) are required to indicate the steps they will take to lift their cartel restrictions. Should they fail to come up with satisfactory assurances that their infringements of the anti-trust laws are being ended, the Brussels commission has said it will use its competition watchdog powers to enforce liberalization via the courts.

'The commission wants the European citizen to have access to a wide range of air travel services at reasonable cost.'

"The commission wants the European citizen to have access to a wide range of air travel services at reasonable cost," Mr. Sutherland said in a statement made jointly with Stanley Clinton Davis of Britain, the EC transport commissioner. "If our industries are to take advantage of the community's internal market, restrictive practices and the resulting high air transport costs cannot be allowed to hinder the expansion of community trade in goods and services."

Over the past five years that deregulation has been a hot topic in Europe, with European travelers enviously watching the American experience, Brussels has played a somewhat ambiguous role. It had put forward a "fare zones" proposal for limited deregulation but had always avoided clashing with the EC member governments that own the flag-carrier airlines.

The political battle over air fares will be fought this fall, and the Brussels commission will have the advantage of being backed by Britain, which currently holds the presidency of the EC Council of Ministers. There is also a strong lobby in the European Parliament that supports cheaper air travel and an end to the restrictions that have protected the interests of the major airlines to the disadvantage of smaller competitors.

In France, where opposition to deregulation was particularly strong, there have lately been several significant straws in the wind. Three independent charter operators have been granted permission by France's civil aviation authority to fly routes that were always an Air France monopoly: Minerve and Nouvelles Frontières have been granted air traffic rights between France and the Antilles, while Pont-Air will now be able to fly between France and the island of Réunion in the Indian Ocean.

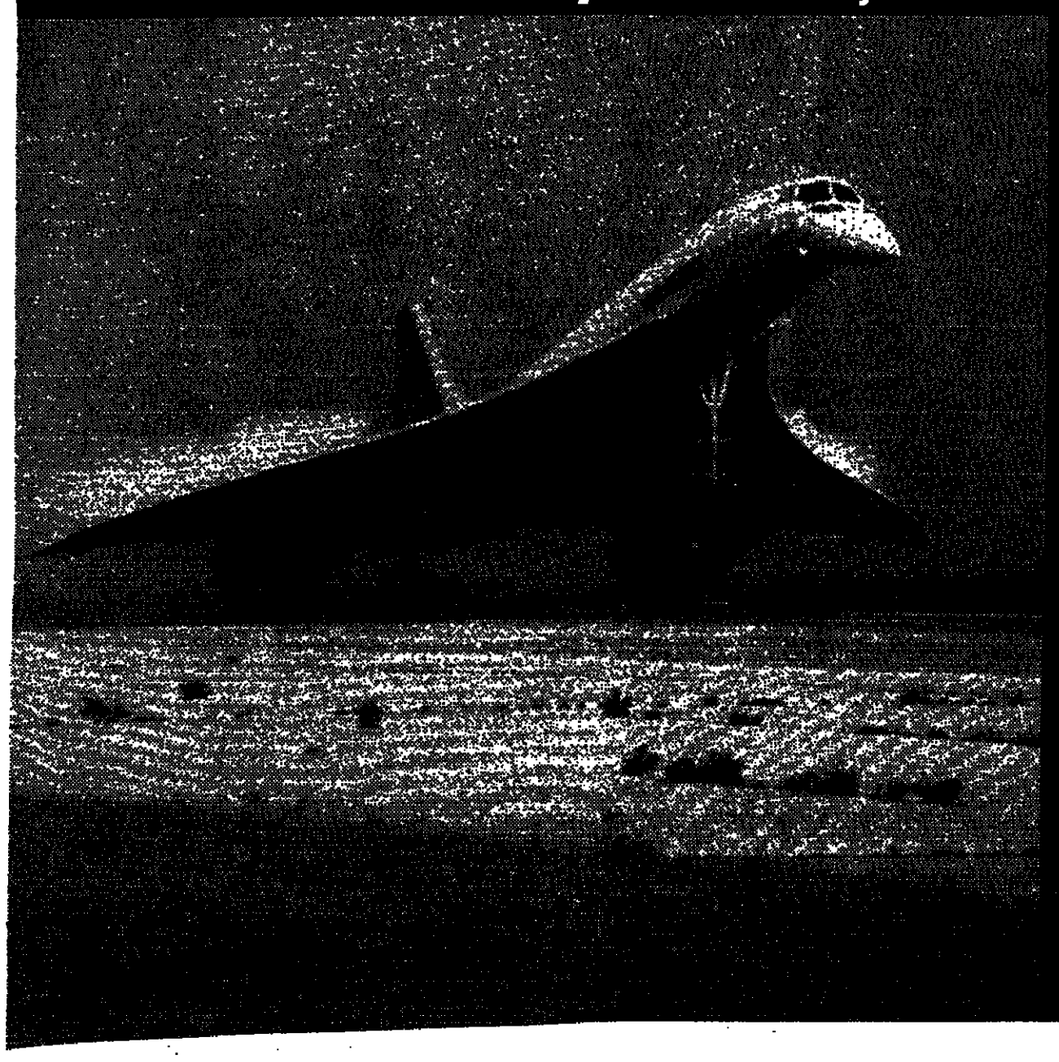
All 12 EC governments have also just approved an EC Commission plan that should boost small independent airlines operating inter-regional services. The aim is to build on earlier attempts to encourage more regional carriers (14 such services have been started since 1983). To that end, more independent feeder services between regional and national airports are to be promoted, such restrictions as the 400-kilometer minimum route are to be abolished and regional carriers are likely to receive permission to extend their services to cover more than just two countries.

Britain and the Netherlands have championed air travel liberalization for several years, and in mid-1984 agreed to a bilateral pact to promote cheaper air fares between the two countries. But France is only reluctantly coming around to liberalization, and West Germany, despite its free-market principles, remains stolidly opposed to changes in Lufthansa's monopoly privileges.

Peter Sutherland

Italy and Belgium are not eager for changes that risk further heavy financial losses for Alitalia or Sabena, while the Greek, Spanish and Portuguese governments remain vehemently opposed to deregulation. The future of air travel in Europe is set to be a divisive political issue in the months ahead.

10 years old, and still 20 years ahead



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A SPECIAL REPORT

Airbus Plan to Build Long-Range Craft Raises Skepticism

By Ronald Katz

WASHINGTON — The January decision by the supervisory board of Airbus Industrie to develop two new long-range aircraft throws a new element of uncertainty into an industry that has been plagued by cycles of boom and bust for 30 years.

The final go-ahead depends on Airbus's ability to line up sufficient orders to justify asking member governments to kick in the enormous development costs, estimated at $2.5 billion, required to bring the two aircraft into production by the early 1990s. An Airbus spokesman said the consortium was seeking at least five customers to get the planes off the ground and added that no announcement was expected before year's end.

It is known that Lufthansa, Swissair and Singapore Airlines are among the carriers being courted, although Airbus executives, including its president, Jean Pierson, have been canvassing North American carriers as well.

The board's decision to move ahead with the new aircraft, named the A-330 and the A-340, was not unexpected, but it raises important questions, not only for Airbus, but for other manufacturers offering competing models.

Airbus insists the market is there for the two new aircraft, but industry observers and some governments remain skeptical. The A-330 would be a twin-engined, 310-passenger plane for high-density routes of up to 5,800 miles (9,360 kilometers); the A-340, a 260-plus passenger jet with four engines for extended routes of up to 7,800 miles.

Because the two planes would use similar equipment, including a variable camber wing and fly-by-wire cockpit technology, Airbus plans to market them as a package. The idea of offering a commonality of parts and a flexible family of planes has long been accepted by the industry as a necessary cost saver.

But some observers wonder whether the technical advantages of commonality and flexibility can overcome the burdens of competing with American manufacturers in a crowded long-haul market. Mr. Pierson has been floating Airbus projections showing a non-Communist world demand for around 1,120 long-range planes of the A-340 type and 3,120 of the medium-range A-330 category, which also includes the A-310 and the A-300-600. Airbus believes it can capture about a third of the total market for these planes.

But projecting aircraft sales is a notoriously inexact business.

For some observers, Airbus's plunge into the long-haul market raises unpleasant echoes of the disastrous battle in the late '60s between the Lockheed TriStar and the McDonnell Douglas DC-10, which drove Lockheed out of the business altogether and forced a merger at McDonnell Douglas to rescue the company. The two three-engined planes, each of which offered exceptional performance, were too similar and the market was not there to support them both.

Airbus claims its long-range A-340 will offer the first real competition to the Boeing 747, which presently has no rivals for size and range. With a lower seating capacity, it is said, the A-340 could fly the long and thin routes without having to make intermediate stops to increase the load factor.

But Airbus is not the only company with its eyes on the long and thin; McDonnell Douglas is touting its planned MD-11 trijet, which would carry 320 passengers up to 7,000 miles; it is also working on the MD-11M, which would be a shorter-haul plane to compete with the A-330.

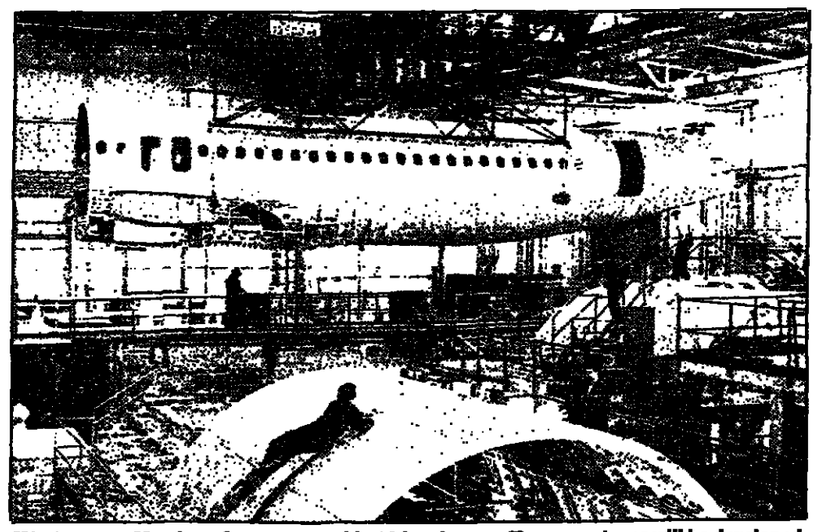
Airbus insists it is still open to cooperation with the St. Louis-based company. Hopes for an arrangement appeared to be revived in mid-August, when McDonnell Douglas confirmed an interest in taking a stake in the A-330 and raised the possibility of using the Airbus wing on the MD-11.

Boeing is not sitting still while its two rivals engage in negotiations. The Seattle-based company is talking of a shortened version of the 747, the so-called Advanced Short Body (ASB), which would reduce the payload from 450 to 300 passengers.

While all of this is part of the skirmishing that precedes major aircraft decisions, it illustrates that the Airbus models, with all their advanced technology, will face rigorous competition.

In the 1970s, the cloudy market potential for aircraft such as the A-330 and A-340 might have caused few hesitations among the Airbus partners, who were willing to take heavy losses to build a civilian aircraft industry to challenge the Americans. But times have changed, and some governments, particularly the British, are asking hard questions about financing.

The four Airbus partners — 37.9 percent West German, 37.9 percent French, 20 percent British and 4.2 percent Spanish — have poured from $7 billion to $10 billion into the Airbus since 1970; less than $1 billion has been repaid.



Workers at a Hamburg factory assemble Airbus frames. Two new planes will be developed.

Aircraft Leasing Is Taking Off As Building Costs Escalate

By Vivian Lewis

PARIS — Another "BB" has taken off from France, but "Brigitte Bail" is not a pouting actress named Bardot but an aircraft leasing company. *Bail* means lease in French, and the latest "BB" is a French company owned by Crédit Lyonnais, one of the first European banks to set up a leasing subsidiary to finance major aircraft sales. Brigitte Bail owns two Airbuses, whose configuration, route and operating carrier the bank's officials are not prepared to reveal.

But Brigitte Bail is likely to have many imitators. In the next 15 to 20 years, the world's airlines will be buying a total of 4,000 to 6,000 new wide-bodied planes. The cheapest will cost more than $27 million and the most expensive as much as $140 million. As a result, the total cost will be about $200 billion, according to Jean-Yves Durance, who directs the Crédit Lyonnais's foreign trade department.

"Most airlines are not in a position to finance that kind of money from their balance sheets," he said. "About 75 percent of the potential market for aircraft will have to find other financing."

One solution is for banks to offer long-term asset financing, buying and leasing planes rather than merely lending to airlines.

"By being the owner of the plane, our risk is no longer computed on the balance sheet of a company like 'Galapagos Airlines', but on the second-hand value of the plane," Mr. Durance explained.

Another solution is for aircraft-producing companies to finance the sale of their planes by, in fact, leasing them — the way the computer industry did in its infancy. General Electric Credit Corp., a financing subsidiary of the U.S. engine maker, with 150 aircraft now runs a larger fleet than many airlines. It is, for example, bigger than Lufthansa. Specialized companies could also fill the gap. One notable candidate is Guinness Peat Aviation Group Ltd. (GPA) of Shannon, Ireland, an aircraft lessor.

But if banks get into the leasing business on the basis of resale value, they take on another kind of risk than assessing the solvency of airline companies. "Banks will have to decide what will be a successful plane, which configurations or variants" Mr. Durance said. "If they get it wrong, it will be difficult to re-lease or resell their planes."

This resale risk will get banks closely involved in the technical aspects of airlines. They will have to calculate where routes will grow and which planes are best, because the bigger the potential market for a plane the easier it will be to resell.

The aircraft industry, however, may not be best served by having banks make its most important purchasing decisions.

Competition may also be reduced if it is the fat balance sheets of some supplier companies in the industry that will determine which planes will fly.

Europe's leading aircraft maker, Airbus Industrie, probably prefers to deal with banks acting as potential lessors if this is how to sell planes. A spokesperson for the firm lamented that "European banks are so far behind the Americans in getting into aircraft leasing."

In the United States, Citicorp, Chemical Bank and Bankers' Trust among banks, as well as investment banks like Shearson Lehman, Salomon Brothers and Goldman, Sachs have taken the lead in setting up as aircraft lessors. In Europe, the business is just starting, with the players, apart from Crédit Lyonnais, including Midland and NatWest of Britain and Dresdner Bank of West Germany.

'Banks will have to decide what will be a successful plane. If they get it wrong, it will be difficult to resell.'

Banks in France, above all, are buying the expertise they need to build up aircraft leasing. Pierre Pailleret, the former finance officer of Airbus Industrie, for example, has joined the French Suez investment banking group. Crédit Lyonnais has hired a second-generation Airbus engineer, Marc Paganini, to head its aerospace division. And outside appraisers, such as Bureau Veritas in Paris, also help assess the value of new and reconditioned aircraft. Air Tara and Transport Analysis International, two subsidiaries of GPA, provide technical and operational services and aviation consultancy.

Thus, the leasing systems first developed for second-hand smaller planes of under 120 seats are now being applied to larger aircraft. The pioneer company in this leasing business is located in Shannon. It started out helping investors find tax-free income through short-term aircraft leases, much as they might do with containers, or other investment vehicles.

The aircraft asset management finance was pioneered in 1975 by a joint venture called GPA, made up of Aer Lingus, Guinness Peat (a merchant banking group) and T.A. Ryan. GPA shares have been sold to Long-Term Credit Bank of Japan, Kawasaki Enterprises, Mitsubishi, Air Canada, the Prudential Insurance Co., Morgan Grenfell and General Electric Credit Corp.

Having begun with a capital of $50,000, GPA today has assets of just under $400 million. Its earnings in fiscal 1985-1986 came to $25.1 million. It currently leases 50 civilian jet aircraft to airlines.

GPA has recently announced that it will order 96 new aircraft, no longer the small planes and the short leases with which it began. The GPA order, is valued at $2.75 billion, for 81 Boeing 737-300 and 737-400 aircraft, 15 McDonnell Douglas MD-83s and options on a further 10 MD-80s. GPA may also order Airbus A-320s, according to Mr. Ryan.

The Irish aviation connection, unlike what the French banks hope to do, enjoys certain tax advantages from the Irish government.

GPA's joint venture with Midland Bank of Britain (called GPM) provides long-term, tax-leveraged finance leases funded by money collected from outside Ireland in countries with double-taxation treaties with Ireland, such as Belgium, Luxembourg and Canada.

For example, a foreign corporation from a country with a favorable tax treaty with Ireland is allowed to set up a special investment company with GPM. The funds subscribed are lent to GPM to buy the planes for onward lease. GPM lease income is exempt from Irish taxes because it is located in the Shannon free zone. Interest and principal payments made to it by the special investment company are not taxable because of the structure of the loan.

GPM currently runs 11 planes and it plans to run the first six Boeing 737-300s on order. A similarly structured joint venture with McDonnell Douglas, called Irish Aerospace, provides operating leases for the MD-83.

PanAm, Korean Airlines, SAS are among the airlines known to be using leased planes whose financing was arranged by banks. But almost all airlines will eventually have to turn to leasing finance to pay for modernizing their fleet.

'Smart Skins,' X-Wing Craft Studied

(Continued from Page 7)

wing, however, also allows better handling at low speeds, reduces stall speed and tends to eliminate the possibility of spinning. Flight testing, under way in California since late 1984, has been intensive in recent weeks.

The forward-swept-wing idea is not new, dating to World War II, but it is practical only now with the advent of strong and lightweight materials. Computers also help to keep the tail-less, intentionally unstable Grumman design from departing from controlled flight.

Materials lighter and stronger than those in the X-29A are being considered for planes that, like the Sikorsky X-Wing, could reduce the military's dependence on big, vulnerable air bases. They would be "extraordinarily flexible," the air force says, "allowing trade-offs among range, payload and takeoff mode." Such an aircraft, it says, "would use its full range/payload capabilities when flying from undamaged or prepared runways, but could trade off some such capabilities if runway space is limited or not available."

In electronics, the air force is thinking of "smart skins" for its planes, outer skins in which devices would be embedded to allow sensing and communicating "in optical and other frequency bands, and in any direction from any aircraft attitude." Such skins would be "remarkably survivable to all but catastrophic damage" and "should also enhance stealth by allowing elimination of pods and domes." And, with fiber optics running through the skins, there would be "an almost unlimited number of paths for signals to control surface actuators, greatly increasing the aircraft's survivability."

In the cockpit, emerging technologies will permit a great improvement in situation awareness. Computer images flashed on helmet visors would show not only the outside world in bad weather or at night, but the status of various aircraft systems.

Keeping these and other new technologies in friendly hands is a constant concern. The North Atlantic Treaty Organization nations study high-tech programs and processes and decide what stays proprietary and what can be exported.

Advisory groups of the U.S. Department of Commerce, responsible for civil applications of new aerospace and aviation ideas, are currently deciding whether to release new technologies for coatings that give engine parts better resistance to corrosion and heat. The coatings also boost engine performance and reduce long-term operating costs. The NATO countries probably will not agree that they should be cleared for export to Eastern bloc countries.

The X-Wing will be tested for the first time this fall .

Industry Is Pessimistic for Short Term

(Continued from Page 7)

sluggish export growth, particularly to wealthy Third World countries that have been hit hard by falling revenues from oil and other commodities.

Complicating the outlook is the continuing resistance by the United States to sharing its most sensitive technology with allies. That applies primarily to a new tactical fighter being planned in the United States and in contracts being awarded to West European companies for work on the U.S. Strategic Defense Initiative.

The outlook is also clouded by renewed determination by governments, both in the West and in developing countries, to protect their markets against competition.

The Reagan administration, for example, is determined to consider retaliation against Airbus Industrie, the West European consortium, because of allegedly unfair subsidization by the governments of France, West Germany, Britain and Spain. The four governments have repeatedly rejected the charges amid warnings from both sides that a U.S. move against Airbus could trigger a trans-Atlantic trade war.

Henri Martre, chairman of state-owned Aérospatiale, France's largest aerospace company and a key Airbus partner, has called for what he termed "better understanding on both sides of how our mechanisms work, because our methods are not the same." Trade retaliation by the United States against Western Europe, he warned during an interview, "can work both ways."

Recently, the tensions over Airbus have receded, partly because of fears in Washington that Europe might, indeed, retaliate. Momentum also is building around U.S.-European cooperation in new passenger jets, which could be threatened if a trade war occurred now.

Earlier this year, Short Brothers of Northern Ireland and Saab-Scania of Sweden signed agreements with Boeing to become associate partners in the proposed Boeing 7J7, which, when put into service around 1992, would compete with the new Airbus A-320 and McDonnell Douglas's MD-80. Boeing will retain 51 percent in the proposed plane; Japanese aerospace companies have been guaranteed a 25-percent share, while the remaining 24 percent will be split among the associate partners, which may also include the Australian aerospace industry.

Far more delicate talks involve Airbus and McDonnell Douglas Corp. In mid-June, Airbus rejected an initial approach in which the U.S. company urged Airbus to abandon plans for its four-engine, long-range A-340 and to concentrate instead on jointly building

Granaud/Collectif

André Giraud

McDonnell Douglas's competing MD-11 trijet.

But the talks also covered possible cooperation on developing the A-330, a two-engine, medium-range aircraft that Airbus also is planning for the early 1990s. Airbus previously said it was seeking partners for both planes in Western Europe, Australia and Japan with a view to providing outside partners up to a 20-percent interest in the A-330 and A-340. The planes will require about $2.5 billion to develop.

Industry sources said in late August that the talks were continuing and were being influenced by the current profits squeeze on airlines. Another factor was that Airbus so far has only been able to generate serious interest in the A-340 among about half a dozen airlines, a factor that is holding back financing plans in Britain, a key Airbus partner.

Similarly, according to Aviation Week, McDonnell Douglas has received letters of intent from two West European airlines and one U.S. carrier for the MD-11, but that is still far below the minimum of 20 orders required to launch the project.

Commenting on the short-term outlook, Mr. Martre said he was preoccupied by predictions that world airlines belonging to IATA will be lucky to break even this year, following an 18-percent drop in net profits last year. The main reason for this was a sharp drop in traffic on the North Atlantic, which generates about 23 percent of all international traffic.

"The trends being reported [by IATA] may indeed act as a brake on demand for civilian aircraft," Mr. Martre said. But, he added: "It could be largely psychological, perhaps because of [passenger] fears about terrorism, but it is a matter of months ... it will not last for years, and we assume a recovery after this difficult period."

In London, Don McClen, British Aerospace's public affairs executive, insisted that "we as an industry are not in a crisis, but we do face a temporary, explainable situation and we remain optimistic."

Yet, neither Mr. McClen, Mr. Martre nor executives at Messerschmitt-Bölkow-Blohm of West Germany, the third, main Airbus partner, hide the fact that the Airbus family of planes continues to lose money. Airbus has never publicly disclosed the total losses, although MBB told shareholders in July that its Airbus losses last year totaled 130 million Deutsche marks.

West European government and aerospace industry officials have repeatedly rejected the allegations that government financing for Airbus constitutes unfair competition, emphasizing that the United States has given its airplane makers $47 billion in defense research-and-development contracts over the past 15 years.

In another major development, British Airways in mid-August announced that it was ordering $2.3 billion of Boeing's 747 with Rolls-Royce engines. Earlier, in sharp contrast to Airbus's performance, Boeing reported a 24-percent increase in second-quarter earnings this year, with a backlog of orders valued at $24.8 billion, a slight increase over June 1985.

However, Boeing has reported serious problems looming, particularly in the winning of more military and space business.

"Congress and the Department of Defense are committed to increasing competition in all phases of military contracts," Frank Shrontz, Boeing president, said recently. He continued: "The near-term prospect is for flat or declining overall budgets for defense and space. The result will be fewer new starts, slides in ongoing programs and lower-quantity procurements."

Boeing's military and space sales volume last year totaled a combined $5.2 billion out of total revenue of $13.9 billion.

Meantime, both Boeing and Airbus reflected determination to continue expanding their civilian aircraft business, although they differed sharply on some assessments.

Both agree that the market for new passenger aircraft between 1986 and around the year 2000 will total between 5,650 and 5,840 planes, but they disagree about a key segment of the market, the so-called intermediate range. Competing in it currently are such planes as Boeing's 767s, Airbus's A-300 and A-310, while seeking a share is McDonnell Douglas's planned MD-11M.

"We have always disagreed with Boeing on this point," said Adam Brown, who is in charge of market forecasting at Airbus headquarters in Toulouse, "because we feel that the wide-bodied jets will be increasingly in demand as congestion builds up in airports, meaning bigger planes."

Boeing estimates that 1,248 intermediate-range planes will be needed between 1986 and 2000, worth an estimated $69.7 billion, while Airbus estimates the market will require 3,120 aircraft, worth $220 billion, roughly half of it in the United States.

Another uncertainty is how far, and how fast, deregulation of the West European airline industry will go following the April 30 ruling by the European Court of Justice that regulation of air fares violates the European Community's charter, the Treaty of Rome. Most industry executives have agreed with Frans Swarttouw, president of Fokker NV, the Netherlands' largest aircraft maker, who said earlier this year that "liberalization will lead to more airlines, more routes, more flights and, most importantly, a completely different fleet composition."

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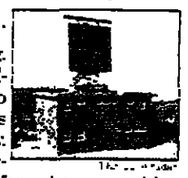

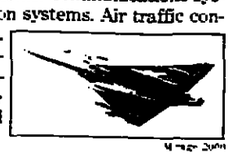

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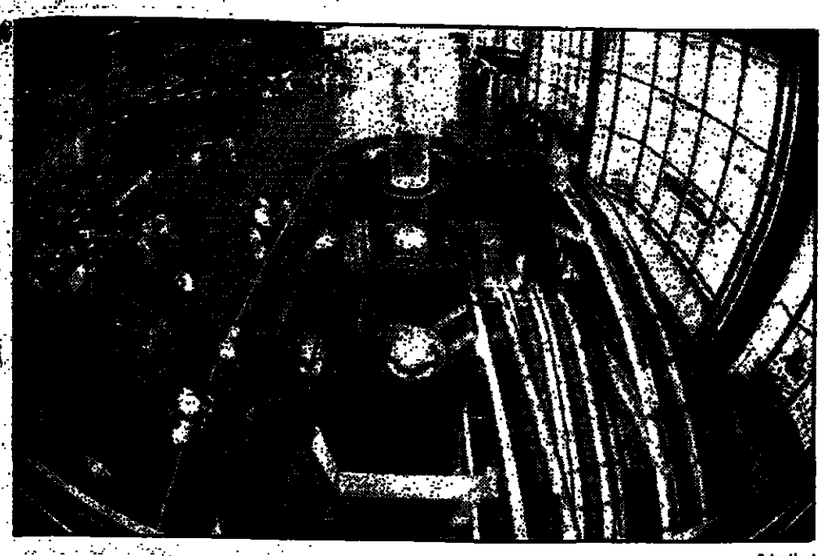


S. Ian Lloyd

Singapore's expanded and modernized Changi Airport.

Traffic Control Under Scrutiny

By James D. Baumgarner

WASHINGTON — As airport construction booms internationally to handle increasing passenger and cargo traffic, there are signs that modernization of air traffic control systems will get under way worldwide as it already has in the United States.

Air France, for example, is building a $2.5-million cargo terminal at Los Angeles International Airport, where Lufthansa has similar plans. British Airways recently moved into a new, fourth terminal at Heathrow. Singapore's Changi Airport is expanding and modernizing, and Hong Kong International has just opened a new freight handling center.

A special planning group of the International Air Transport Association will meet late this month to lay the groundwork for a meeting in September 1987 to look at the requirements for modernizing world airways to keep pace with the growth in commercial aviation.

U.S. experts, who have been involved in a special industry task force working with the Federal Aviation Administration on ways to improve airport capacity, will share their experience with the IATA planners. The IATA is worried about the high navigation costs in Europe and the circuitous routes imposed by Eurocontrol, which mean higher operating expenses for European airlines.

The United States has embarked on a $12-billion program to upgrade its air traffic control system. Despite this initiative by the FAA, described as the largest civil project since the Apollo moon-landing program, U.S. airlines are complaining about the slowness with which the agency is moving.

Unlike their U.S. counterparts, airport planners in Europe and elsewhere do not see city-center heliports or stolports as a way of easing congestion. In Europe, helicopters are used more for emergencies and police services.

While the idea of reliever airports has not caught on much in either the United States or Europe because of the often lengthy distances passengers must transfer to get to connecting flights at larger facilities, heliports are beginning to grow more attractive to aviation planners in the United States.

Dade County, Florida, for instance, home of Miami International Airport, has identified 12 locations that could feed traffic into the airport, where a heliport has been built on top of the main terminal.

Authorities in New York, where both Kennedy and LaGuardia airports are under strict traffic ceilings, are enthusiastic about a new U.S. Navy aircraft, the Osprey V-22 tilt-rotor, which takes off and lands much like helicopter but flies like a fixed-wing aircraft. They say that with the Osprey's two-hour range of 700 miles (1,128 kilometers), it could cover an area serving more than 29 million persons.

However, there exist other constraints on airports besides those related to ground capacity or the ability of the air traffic control system to handle high volume. The biggest constraint is political, because of the noise problem surrounding major airports. Airport officials react in varying ways, from limiting traffic during certain hours to imposing higher landing fees during peak periods of use.

In some nations, such as Japan, the problem is so acute that the Japanese are very reluctant to let in new carriers and therefore find their bargaining power limited when negotiating new air rights to other countries. One of the latest ideas is for airlines to negotiate landing rights away from the major capitals.

Just how far this type of operation will spread will depend on the extent of deregulation in Europe. There are numerous signs that the resistance of some European nations to deregulation is beginning to weaken, with Britain and the Netherlands leading the pack.

Safety and security are two big issues connected with air travel and airport crowds. Recent events such as the Delta Airlines TriStar crash due to wind shear on approach to Dallas/Fort Worth airport and the terrorist attacks on airports in Rome and Athens have hastened research into ways to detect both microbursts, or violent gusts of wind, and bombs and weapons.

Work that has been going on for years on ways to warn flight crews of the presence of microbursts and wind shears has accelerated in both the United States and Europe, along with piloting tactics to survive such phenomena. Authorities are hoping that the new microwave radar systems will help aircraft avoid these natural hazards.

'Updates' Thrive in Combat-Plane Market

By Peter Middleton

LONDON — The first public demonstration of six new Soviet MiG-29 fighters at a Finnish air show during July foreshadowed a shift in the balance of air superiority in the Middle East and a new willingness by the Russians to export high-technology planes early in their production runs.

According to Pentagon sources, no more than 150 of these twin-engined Mach 2.3 fighters are in service with the Soviet Air Force, and none has been supplied to the Warsaw Pact countries. Yet the first of 80 deliveries to Syria is imminent, and India will receive the first of 40 later this year.

Unfortunately for Soviet policy in the Middle East, the timing of the new MiG's debut may have been a shot in the Kremlin's own foot, because Israel was just preparing to roll out its new fighter-bomber, the U.S.-subsidized Lavi, whose survival depends on the balance between its cost and the external threat.

The prospect of 80 Syrian MiG-29s on Israel's doorstep can do no harm to Lavi (and the emerging high-tech Israeli economy that it spearheads) either in the Knesset or in the U.S. Congress, which approves U.S. military aid for Israel.

Moscow's desire to sell the Fulcrum to India was well known even before the aircraft's public appearance. By virtue of its strategic position, India has been able to take its pick of both Western and Soviet weapons. So, in an imported arsenal that was 72 percent Soviet-supplied between 1979 and 1983, India also now counts British Sea Harrier carrier-borne V/STOL fighters.

India is a leader in the trend toward self-sufficiency in defense and already builds British-French Jaguars as well as MiG-21s and MiG-27s. It was no surprise, therefore, to learn that it will build, as well as import, MiG-29s, having rejected local manufacture of the best operational French fighter, the Mirage 2000, which is already in service with its air force.

The new MiG's appearance on the market should boost sales of Western fighters and the thriving business for updating old ones with new electronics. These retread programs are cursed by airframe companies, which discover that an air force's existing 20-to-30-year-old design can be fitted with new black boxes to become the biggest competitors for their new aircraft. Updates include British and American avionics, not only for U.S.-built Northrop F-5s and McDonnell Douglas A-4s, but for Chinese-built MiG-21 derivatives. McDonnell Douglas F-4 Phantoms operated by both Japan and West Germany are to be upgraded with new U.S. radar, while 50 of China's big indigenous Shenyang F-8 fighters are likely to get avionics selected for Beijing by the U.S. Air Force.

The problems of selling new aircraft are compounded by the increasing sophistication demanded due to fears of a confrontation between NATO and the Warsaw Pact in Europe. This has led to designs on both sides that are both too secret for indiscriminate export and too expensive to buy or to give away.

The dilemma is best illustrated at Les Mirages, the château headquarters of Europe's premier fighter company, Avions Marcel Dassault, near Paris. Shelves behind the chief executive's desk are packed with models of fighters in customers' colors. Nearly 900 of the Mirage-3 variants — of which 1,400 were built between 1956 and 1984 — went to overseas customers, including license-production. The Mirage F-1 (1966 to 1986) has sold more than 700, 477 of them overseas, while only 300 to 400 of the current Mirage 2000 are planned for France, with less than 250 overseas orders so far, even including Egyptian license assembly that is now beginning.

The same trend applies to Soviet and U.S. fighters. The MiG-21 had 31 buyers overseas; the MiG-23/27 has only 14. More than 3,000 Northrop F-5s have been supplied to more than 30 countries, most of them in the Third World, and it has been license-produced in South Korea, Taiwan and Switzerland.

In contrast, although the United States plans to field nearly 3,000 of the more modern F-16s, overseas sales total no more than 1,200, with over 500 of these "exports" being license-produced in Europe, where performance has to take precedence over cost. Israel, Egypt, Pakistan, South Korea and Venezuela are the only Third World customers.

Market research during the mid-1970s showed that there were about 8,000 assorted old trainers and combat jets still in service around the world. Their replacement, however, has been much slower than predicted, with combined overseas sales and license production of Hawk, Alpha Jet, MB-339 and Casa-101 totaling less than 450, if 302 Hawks to be built for the U.S. Navy in partnership with McDonnell Douglas are discounted.

When new aircraft are sold (as opposed to being supplied under aid programs, like many F-5s and MiG-21s), barter deals are now almost a prerequisite, as are demands for local manufacture, to gain work, technology transfer and a measure of independence.

The proliferation of aerospace industries is a related problem facing traditional suppliers of combat aircraft. After license-producing a wide variety of U.S. designs, including F-4s and F-15s (although not its most sensitive components), Japan is starting to design its own trainers and supersonic fighters. Taiwan is doing the same with help from Northrop. Singapore is assembling Italian jet trainers and revamping A-4s with a new General Electric engine. China completely redesigned the MiG-19 and has even exported the resulting A-5 to Pakistan.

Australia is building F-18s under license. Sweden has helped preserve its independence with a series of successful combat aircraft tailored to its particular needs. Its new Saab Gripen, due to fly next year, could find itself in the service of the Finnish Air Force alongside MiG-29s if precedent is followed.

With European partners hard to find for development of its new Rafale technology demonstrator, Dassault has even been courting the Indonesians for partnership, although purchase of current Mirage 2000s, in place of preferred F-16s, is the disadvantage of the deal. Indonesia has an impressive embryonic aero-industry in central Java, having cut its teeth on transport and helicopter designs from Spain, France, West Germany and the United States, but it will not be in the Dassault league for decades.

In South America, aerospace is developing quickly to meet local and export needs. Brazil has a competent aircraft industry. It designs and exports not only small airliners but also trainers, which are being license-produced in Egypt (for itself and Iraq) and in Northern Ireland for the Royal Air Force. In a joint venture with two Italian companies, Brazil is also developing a potent subsonic strike fighter called the AMX.

Argentina has progressed from the twin-turboprop Pucara ground-attack machine to an armed jet trainer known as the Pampa, although Dornier helped to design it in West Germany. Even Chile has its own light turboprop trainer.

Technologically, Europe's advanced combat aircraft are in the same league as those of the United States, yet twice it has become a major license-producer of U.S. jet fighters, first with the F-104 in the 1960s, then with the F-16, which remains in production by a pan-European consortium.

The market for new aircraft is further complicated by the emergence since the Vietnam War of specialized combat helicopters (mainly for anti-tank duties), and it will be further confused by a trend toward "smart" air-launched tactical missiles. These were originally developed to allow prohibitively expensive U.S., European and Soviet front-line aircraft to engage enemy ground targets while beyond the range of sophisticated defenses. Their air-to-air counterparts can transform not only the effectiveness of relatively simple new aircraft but also that of the updated old-timers.

Divvying Up the Defense Dollars

Top Players in the Military Market

General Dynamics:
F-16 Program
$3.3 bil.

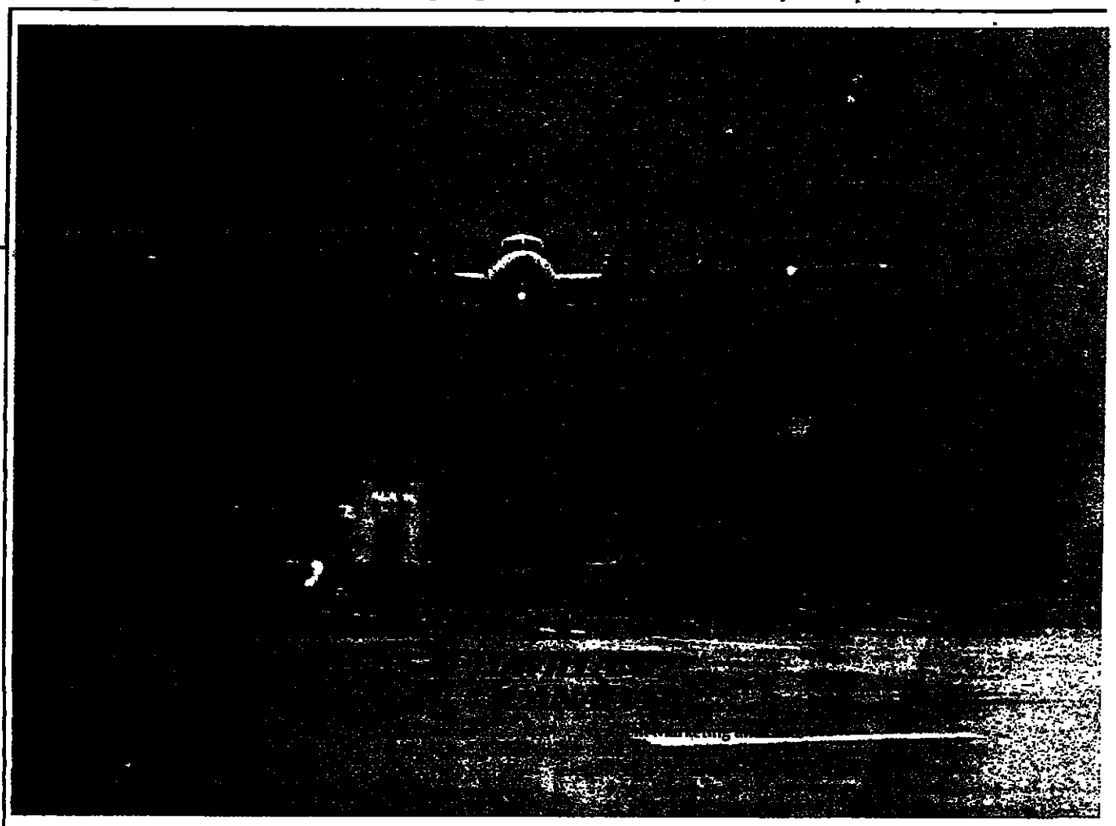
McDonnell Douglas:
AV-8B, F-15 and F-18
$5 bil.

British Aerospace:
Tornado Program
$3 bil.

Dassault-Breguet:
Mirage 2000, 50, F1
$2.3 bil.

F-16 AV-8B Tornado Mirage 2000

Source: Boeing, FMA



Almost two years before its entry into service, eleven airlines have already placed commitments for over 260 aircraft, making the A320 the greatest sales success in the history of commercial jetliners at this stage in its development.

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Arranged by

The National Investment Bank of the Netherlands
Amsterdam-Rotterdam Bank

Participants

The National Investment Bank of the Netherlands
M.I.P. Equity Fund
Amsterdam-Rotterdam Bank
Limburg Investment Bank

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THE NATIONAL INVESTMENT BANK OF THE NETHERLANDS

August 1986

Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London. Tel.: 01-623-1277.
Prices may vary according to market conditions and other factors.

RECENT ISSUES

Aug. 28

Amt	Security	Mat	Coupon	Price	Issue Price	Mid Yield
ecu 200	Electricite France	2006	7¼ %	98 Aug	98	7.48
$ 200	General Motors Accept	1991	7¾ %	99 Sep	100	7.85
$ 7	Denmark	1996	7 %	100 Sep	100	6.90
$ 100	Philip Morris Co Inc	1993	7¼ %	100 Aug	100	7.24
dm 100	Austrian Central Bank	1996	6 %	96 Sep	100	6.38
$ 100	Banque Franc Com Ext	1991	7¾ %	99¾ Aug	99¾	8.09
y 25000	Sweden	1991	5½ %	91 Aug	101	5.32
y 10000	Bayerische Vereinsbk	1991	5½ %	91 Aug	101½	5.07
$ 100	Newmont Mining 10.95	1991	7 %	100 Dec	100	5.97
y 50000	World Bank	1991	5¾ %	98 Aug	100½	5.63
$ 500	Norway	1991	7¼ %	99 Aug	101½	7.37
$ 100	Creditanstalt-Bankver	1991	8 %	99 Aug	101½	8.16
$ 75	Finland	1991	7¼ %	99 Sep	100¼	7.84
$ 100	Mercedes-Benz Credit	1991	7½ %	99 Aug	100½	7.74
$ 100	Credit Foncier Franc	1991	7¾ %	99 Aug	101½	7.68
$ 100	Electricite France	1991	7¾ %	99 Aug	101½	7.68
$ 150	Volkswagen Intl W/w	1991	8 %	99 Aug	100½	7.96
$ 100	Long-Term Credit Bank	1991	8 %	99 Aug	101½	7.90
$ 100	Nippon Credit Bank	1991	8 %	99 Aug	101½	7.90
$ 100	Credit Foncier France	1991	8 %	99 Aug	101½	7.90
$ 150	Pacific Basin Finance	1991	8 %	99 Aug	101½	7.90
$ 100	Nippon Credit Bank	1991	8 %	99 Aug	101½	7.90
$ 150	Elf Aquitaine	1991	12 %	99 Nov	112	8.68
$ 175	Caz De France	1991	12¼ %	99 May	118	8.56
$ 50	Michelin	1991	7½ %	98 Feb	99½	8.01
$ 40	Port Authorities	1991	9 %	99 Nov	100½	8.56
$ 75	Sncf Nat Chemins Fer	1991	13 %	91 Feb	104½	11.60
$ 100	Sncf Nat Chemins Fer	1991	11½ %	93 Mar	113½	7.77
$ 150	Sncf Nat Chemins Fer	1991	7¾ %	96 Jun	99	7.89

GERMANY

$ 150	Bayl Finance Europe	1991	7¾ %	99 Feb	100	8.45
$ 125	Bayl Finance Europe	1991	7 %	91 Apr	92	3.73
$ 165	Bayl Overseas A/w	1991	11 %	88 Mar	104	8.01
$ 100	Bayer Intl Finance A/w	1991	10½ %	91 Jun	104½	8.08
$ 200	Bayer Intl Finance A/w	1991	7¾ %	99 Feb	99½	7.85
$ 75	Bayerische Vereinsbk	1991	13¾ %	90 Oct	114	8.54
$ 50	Bmw O/s Enterprises	1991	10¾ %	91 May	109½	9.08
$ 100	Commerzbank Finance	1991	11¾ %	89 Oct	104	7.86
$ 100	Commerzbank Finance	1991	11½ %	90 Jan	110	7.99
$ 100	Commerzbank Finance	1991	11 %	91 Mar	110½	8.13
$ 100	Commerzbank Intl A/w	1991	7 %	98 Nov	99½	7.76
$ 75	Deutsche Fin Cayman	1991	8¼ %	93 May	100½	8.14
$ 100	Deutsche Bank Finance	1991	11½ %	89 Oct	104	7.86
$ 200	Deutsche Bank Finance	1991	14¾ %	89 Aug	116	7.53
$ 200	Deutsche Bank Finance	1991	12¾ %	89 Sep	114	7.13
$ 150	Deutsche Bank Finance	1991	9¼ %	94 Mar	100½	9.52
$ 110	Deutsche Bank Finance	1991	8 %	98 Jul	98	9.27
$ 100	Deutsche Bank Lux A/w	1991	9¼ %	91 May	102½	8.76
$ 100	Deutsche Siedlungs Bk	1991	7½ %	96 Apr	95	8.24
$ 100	Dresdner Finance	1991	11 %	90 Apr	109½	7.86
$ 100	Dresdner Finance	1991	10½ %	92 Oct	110½	8.19
$ 100	Dresdner Finance A/w	1991	8 %	91 Jul	94½	6.99
$ 85	Hoechst Finance A/w	1991	8 %	93 Feb	100½	7.98
$ 100	Mercedes-Benz Credit	1991	7½ %	93 May	98¾	7.24
$ 250	Siemens Finance A/w	1991	7¾ %	90 Mar	100½	7.64
$ 70	Veba Intl Finance A/w	1991	8 %	93 Dec	100	7.99
$ 150	Volkswagen Intl W/w	1991	8 %	93 Aug	102½	7.26
$ 150	Volkswagen Overseas	1991	7¾ %	87 May	99¾	8.03
$ 100	Westlb Finance	1991	11¾ %	90 Dec	112½	8.28

ICELAND

$ 20	Iceland	1991	9 %	87 Feb	100	8.73
$ 50	Iceland	1991	12¾ %	92 Dec	107½	11.01

IRELAND

$ 150	Ireland	1991	9¼ %	86 Mar	103	8.88

ITALY

$ 50	Consorzio Di Credito	1991	7½ %	90 Jan	100	7.48
$ 50	Eni Ente Naz Idrocar	1991	7¾ %	90 Jan	98½	8.14

JAPAN

$ 100	Bank Of Tokyo Curacao	1991	12¾ %	89 Sep	118	7.13
$ 125	Bank Of Tokyo Curacao	1991	11 %	89 Apr	111¾	7.15
$ 100	Bank Of Tokyo Curacao	1991	11¾ %	90 Dec	116	7.37
$ 100	Bank Of Tokyo Curacao	1991	12¾ %	91 Jan	126¾	7.57
$ 50	Chuetsu Electr Power	1991	12 %	91 Mar	112	8.64
$ 100	Dai-Ichi Kangyo Bank	1991	12¾ %	90 Oct	116½	7.45
$ 150	Dai-Ichi Kangyo Finan	1991	10¾ %	90 Jul	110	7.31
$ 75	Export-Import Bank	1991	12¾ %	91 Jun	118	8.52
$ 100	Export-Import Bank	1991	10¾ %	85 Jan	110	8.70
$ 100	Full Intl Finance Hk	1991	10 %	89 May	111	7.26
$ 60	Hitachi Zosen	1991	11½ %	90 Mar	104	10.09
$ 50	Hokuriku Electr Power	1991	11¾ %	90 Mar	107	7.98
$ 100	Indust Bank Japan Fin	1991	13¾ %	88 Apr	107	6.26
$ 125	Indust Bank Japan Fin	1991	11¾ %	89 Mar	107½	8.03
$ 100	Indust Bank Japan Fin	1991	11¾ %	89 Nov	113½	7.16
$ 100	Indust Bank Japan Fin	1991	11½ %	90 Feb	112½	8.26
$ 100	Industrial Bank Japan	1991	10¾ %	90 Feb	112	6.84
$ 125	Industrial Bank Japan	1991	10½ %	91 Jul	118	9.10
$ 100	Industrial Bank Japan	1991	10¾ %	92 Jun	118½	8.80
$ 150	Industrial Bank Japan	1991	9 %	93 Jul	101¾	7.86
$ 100	Industrial Bank Japan	1991	10¾ %	85 Jan	109½	9.03
$ 100	Industrial Bank Japan	1991	11¾ %	86 May	108½	10.32
$ 50	Ishikawajima-Harima	1991	12¾ %	91 Jul	124	9.07
$ 75	Japan Airlines	1991	11 %	83 Jun	108	9.34
$ 70	Japan Airlines	1991	12½ %	84 May	124½	8.90
$ 100	Japan Airlines	1991	13¾ %	84 May	124½	8.90
$ 42	Japan Airlines	1991	10¾ %	88 Apr	110	9.41
$ 50	Japan Airlines Bank	1991	10½ %	87 Nov	110½	9.06
$ 75	Japan Develop Bank	1991	12¼ %	89 Oct	115¾	8.63
$ 130	Japan Highway Pub Co	1991	12¾ %	86 Jun	109½	8.55
$ 30	Japan Synth Rubber A/w	1991	7¾ %	89 May	98	8.58
$ 50	Jusco Co Ltd A/w	1991	8 %	88 Dec	100½	7.90
$ 100	Kansai Electric Power	1991	12¾ %	89 Oct	117	8.37
$ 100	Kyowa Finance (hk)	1991	12¾ %	90 May	114½	8.16
$ 100	Long-Term Credit Bank	1991	11¾ %	89 Mar	111½	7.58
$ 100	Long-Term Credit Bank	1991	12 %	90 Mar	112½	7.53
$ 75	Long-Term Credit Bank	1991	12 %	90 Mar	112½	7.53
$ 100	Long-Term Credit Bank	1991	10¾ %	90 Jun	111	7.28
$ 100	Long-Term Credit Bank	1991	11¾ %	90 Jun	112½	7.53
$ 125	Long-Term Credit Bank	1991	13¾ %	91 Jul	121	8.25
$ 100	Long-Term Credit Bank	1991	8 %	91 Aug	102	7.50
$ 100	Long-Term Credit Bank	1991	12¾ %	91 Nov	123½	7.57
$ 100	Long-Term Credit Bank	1991	12¾ %	92 Dec	118½	8.17
cns 50	Long-Term Credit Bank	1991	9¼ %	96 Mar	103	9.21
$ 75	Mitsubishi Bank	1991	12¾ %	89 Jul	117½	8.25
$ 100	Mitsubishi Corp	1991	12¾ %	89 Jul	117½	8.25
$ 100	Mitsubishi Corp	1991	12¾ %	89 Oct	117½	8.25
$ 100	Mitsubishi Corp	1991	12¾ %	89 May	117½	8.25
$ 50	Mitsubishi Estate	1991	11¾ %	88 Mar	105¾	7.73
$ 100	Mitsubishi Fin(hk)a/w	1991	12¾ %	89 Nov	116	8.57
$ 100	Mitsubishi Finance	1991	11¾ %	89 Jun	110	8.51
$ 100	Mitsubishi Metal A/w	1991	7¾ %	89 Nov	98½	8.08
$ 50	Mitsui Finance Asia	1991	11¾ %	89 Dec	103½	10.01
$ 100	Mitsui Finance Asia	1991	12¼ %	88 Aug	111	8.73
$ 100	Mitsui Intl Fin (hk)	1991	11¾ %	89 Nov	111	8.51
$ 150	Mitsui Intl Fin (hk)	1991	12¾ %	89 Dec	117	8.68
$ 200	Nippon Credit Bank	1991	13¾ %	89 Jul	117	7.10
$ 80	Nippon Credit Bank	1991	13¾ %	89 Aug	118	8.24
$ 100	Nippon Credit Bank	1991	11¾ %	89 Nov	111	7.58
$ 100	Nippon Credit Bank	1991	12 %	90 Aug	112	8.31
$ 150	Nippon Credit Bank	1991	11¾ %	90 Feb	111	7.51
$ 150	Nippon Credit Bank	1991	11¾ %	91 Apr	103¾	7.49
$ 100	Nippon Credit Bank	1991	11¾ %	91 Aug	111½	8.19
$ 150	Nippon Credit Bank	1991	10¾ %	92 Jul	113½	8.14
$ 100	Nippon Credit Bank	1991	10¾ %	85 Jul	110½	8.19
$ 50	Nippon Credit Bank	1991	10¾ %	85 Jul	110½	8.19
$ 50	Nippon Kokan Kabushiki	1991	10¾ %	85 Sep	110½	8.19
$ 100	Nippon Telegra Telesh	1991	10¾ %	90 Jan	108	7.96
$ 100	Nippon Telegra Telesh	1991	10¾ %	90 Feb	108	8.05
$ 100	Nippon Telegra Telesh	1991	10¾ %	92 Feb	118	8.37
$ 100	Nippon Yusen Kabushiki	1991	13¾ %	89 Aug	113	8.25
$ 70	Nissho Iwai Corp A/w	1991	8 %	89 Feb	98	8.05
$ 50	Obayashi-Gumi A/w	1991	7¾ %	89 Apr	97	8.00
$ 50	Obayashi-Gumi A/w	1991	7¾ %	89 Apr	97	8.00
$ 50	Omron Tateisi Ele A/w	1991	8 %	89 Apr	98	8.00
$ 50	Saitama Intl Fin(k)	1991	11½ %	89 Mar	108½	8.06
$ 50	Sanwa Intl Finance Hk	1991	11¾ %	89 Sep	111	8.06
$ 80	Sanwa Intl Finance Hk	1991	12¾ %	89 Sep	112	8.06
$ 150	Sanwa Intl Finance Hk	1991	11½ %	89 Jun	114	8.06
$ 100	Sanwa Intl Finance Hk	1991	11½ %	92 Jun	116¾	8.06
$ 250	Semiconductor Energy	1991	7¾ %	87 May	99	8.03
$ 70	Veba Intl Finance A/w	1991	8 %	93 Dec	100	7.99
$ 150	Volkswagen Overseas	1991	7¾ %	87 May	99¾	8.03
$ 100	Westlb Finance	1991	11¾ %	90 Dec	112½	8.28

SWEDEN

$ 150	Sweden	1991	14½ %	88 Dec	115¾	6.72
$ 200	Sweden	1991	12¾ %	89 Apr	112¾	6.93
$ 250	Sweden	1991	10¾ %	90 Apr	112¾	7.80
$ 250	Sweden	1991	10¾ %	90 Nov	112¾	7.80
$ 250	Sweden	1991	10¾ %	92 Nov	113	7.54
$ 250	Sweden	1991	10¾ %	92 Jul	111½	7.86
$ 200	Sweden	1991	11¾ %	86 Dec	110½	8.08
$ 200	Sweden	1991	8¾ %	98 Mar	98½	7.77
$ 50	Electrolux	1991	10½ %	90 Jan	108½	8.56
$ 100	Ericsson Lm	1991	10¾ %	90 Jan	108½	8.56
$ 75	Ericsson Lm	1991	9¼ %	91 Sep	101½	8.93
$ 100	Forsmarks Kraftgruppe	1991	8¾ %	91 Feb	101½	7.38
$ 75	Forsmarks Kraftgruppe	1991	13¾ %	92 Oct	118	11.59
$ 50	Gothentourg City	1991	8¾ %	87 Dec	100½	8.27
$ 50	Gothentourg City	1991	8¾ %	87 Dec	100½	8.27
$ 75	Graenesberg	1991	8¾ %	87 Oct	99¾	8.19
$ 50	Graenesberg	1991	8¾ %	87 Nov	100	8.27
$ 35	Made Ma Och Domsio	1991	9 %	86 Oct	100½	4.95
$ 50	Pitzonken Pest-Och	1991	13¾ %	87 Jul	108½	7.38
$ 75	Pi bankgen Post-Och	1991	12 %	90 Nov	106	10.15

SWITZERLAND

$ 75	Bca Della Sviz It W/w	1991	4 %	93 May	100	2.53
$ 100	Credit Suisse Bahamas	1991	10¾ %	88 Dec	107	7.97
$ 100	Credit Suisse Bahamas	1991	10¾ %	88 May	107	7.94
$ 7	Credit Suisse Bch W/w	1991	7 %	98 Jun	772	13.70
$ 7	Credit Suisse Bch W/w	1991	7 %	98 Jun	99¾	7.06
$ 50	Pirelli Intl W/w	1991	6¾ %	88 Jun	104½	24.58
$ 100	Sec Gen Swiss Ind W/w	1991	7 %	98 Jun	99¾	7.06
$ 100	Swiss Bank Corp O/s	1991	10¾ %	88 Jan	104½	8.62
$ 100	Swiss Bank Corp W/w	1991	5½ %	92 Dec	126	1.19
$ 100	Swiss Bank Corp W/w	1991	6¾ %	93 Jun	99½	6.93
$ 75	Swiss Bank Corp W/w	1991	6¾ %	93 Jun	99¾	7.46
$ 75	Swiss Volksbank W/w	1991	6¾ %	98 Oct	100	7.86
$ 200	Union Bk Switzerland	1991	10¾ %	87 Nov	107½	7.37
$ 100	Union Bk Switzerland	1991	10¾ %	88 Feb	107½	7.37
$ 100	Union Bk Switzerland	1991	12¾ %	91 Jun	108½	9.90
$ 100	Union Bk Switzerl W/w	1991	6 %	92 Nov	147½	1.36
$ 330	Union Bk Switzerl W/w	1991	3½ %	93 Feb	100	3.03

UNITED KINGDOM

$ 75	Allied Lyons	1991	11¾ %	91 Feb	111	8.53
$ 250	Barclays Bank Finance	1991	10¾ %	90 Aug	106¾	7.59
$ 250	Barclays Bank Finance	1991	10¾ %	90 Dec	113¾	8.58
$ 50	Barclays Bank Intl	1991	8 %	86 Dec	100½	6.87
$ 50	Bat Capital Intl	1991	8 %	91 May	101	7.98
$ 50	Bccc Finance	1991	7¾ %	87 Feb	100	7.58
$ 50	Bowater Corp	1991	8¾ %	92 May	101	8.98
$ 50	Bp Capital Intl	1991	8 %	91 Nov	100½	8.19
$ 50	British Oxygen Financ	1991	10¾ %	90 Jun	108	9.18
$ 100	British Oxygen Financ	1991	10¾ %	93 Jun	108	9.18
$ 100	British Petrol Capita	1991	11¾ %	92 Feb	111¾	8.83
$ 100	British Petrol Capita	1991	12 %	91 Jul	118	8.83
$ 100	British Petrol Capita	1991	12 %	91 Mar	118	8.83
$ 100	British Steel Corp	1991	8¾ %	88 Jan	100½	8.83
$ 100	Britoil Finance	1991	11¾ %	89 Oct	109	9.14
$ 100	Cadbury Schweppes O/s	1991	11¾ %	89 Dec	109	7.97
$ 50	Capital Counties Prop	1991	8 %	88 Nov	100½	8.72
$ 50	Commercial Union	1991	8 %	88 Dec	100½	8.72
$ 50	Esmi Finance	1991	8 %	88 Feb	100½	8.72
$ 50	Finance For Industry	1991	11 %	88 Feb	104½	7.49
$ 100	Finance For Industry	1991	12¼ %	89 Jul	117	8.57
$ 50	Fisons Intl Finance	1991	8 %	87 May	100½	8.67
$ 50	Grand Metrop Hotels	1991	8 %	87 Jul	100½	8.67
$ 50	Guardian Royal Exchan	1991	8 %	87 Jul	100	8.67
$ 50	Gus International	1991	8¼ %	92 Jun	101	8.19
$ 50	Hambros	1991	8 %	87 Dec	100½	8.67
$ 100	Hammerson Property	1991	12 %	89 Dec	108	8.67
$ 50	Hill Samuel Group	1991	8 %	88 Nov	100½	8.72
$ 50	Howden Alex Finan A/w	1991	8 %	88 Nov	100½	8.72
$ 100	Ici Finance A/w	1991	8 %	88 Feb	100½	8.72
$ 100	Ici Intl Finance	1991	7½ %	92 Feb	98	7.89
$ 100	Investors In Industry	1991	12 %	89 Mar	117	8.57
$ 50	Lloyds Bank Pens Lans	1991	8 %	88 Jun	100½	8.72
$ 50	Legal General Assur	1991	8 %	88 Jun	100½	8.72
$ 50	Lloyds Eurofinance	1991	8 %	88 Jun	100½	8.72
$ 50	Marks And Spencer Finan	1991	8 %	88 Jun	100½	8.72
$ 50	Metropol Estate	1991	8 %	88 Jun	100½	8.72
$ 50	Metropol Estate	1991	8 %	88 Jun	100½	8.72
$ 50	Midland Intl Finance	1991	8 %	88 Jun	100½	8.72
$ 100	Midland Intl Finance	1991	11¾ %	89 Nov	111	8.57
$ 100	Montagu Placements	1991	13¾ %	91 Aug	115	10.57
$ 50	National Coal Board	1991	8 %	88 Jun	100½	8.72
$ 50	Nat'l Westmnst Bk	1991	8 %	88 Jun	100½	8.72
$ 50	Nat'l Westminster Fin	1991	8 %	88 Jun	100½	8.72
$ 50	Nat'l Westminster Fin	1991	8 %	88 Jun	100½	8.72
$ 50	Rank Organisation	1991	8 %	88 Jun	100½	8.72
$ 50	Rmc International	1991	8 %	88 Jun	100½	8.72
$ 50	Rmc Overseas Finance	1991	8 %	88 Jun	100½	8.72
$ 100	Rio Tinto Zinc Financ	1991	11¾ %	89 Nov	110½	8.57
$ 50	Ronscot Intl Finance	1991	8 %	88 Jun	100½	8.72
$ 50	Scotland Intl Finance	1991	8 %	88 Jun	100½	8.72
$ 100	Scotland Intl Finance	1991	11¾ %	89 Nov	110½	8.57
$ 50	Selection Trust	1991	8 %	88 Aug	100½	8.72
$ 50	Slough Estates Fin	1991	8 %	88 Jun	100½	8.72
$ 75	Town City Nederland	1991	8¾ %	87 Dec	100½	7.96
$ 100	Trafalgar House Plc	1991	11¾ %	89 Nov	110½	8.57
$ 50	Ub Finance	1991	8 %	88 Jun	100½	8.72
$ 50	United Biscuits (uk)	1991	8 %	88 Jun	100½	8.72
$ 50	United Dominions Trst	1991	8 %	88 Jun	100½	8.72
$ 50	Wellcome Foundation	1991	8¼ %	87 Jun	100½	8.19
$ 50	Williams Glyns Bank	1991	8 %	88 Jun	100½	8.72
$ 100	Williams Glyns Nedeel	1991	11 %	89 Jun	109	9.16

U.S.A.

$ 200	Aetna Life & Casualty	1991	7¾ %	86 Jul	99	7.83
$ 100	Alaska Housing Fin Co	1991	11¾ %	86 Feb	104½	10.81
$ 100	Amerada Hess C/w	1991	8 %	86 Jul	100½	8.62
$ 75	American Express Cred	1991	11¾ %	86 Oct	107½	7.63
$ 100	American Express Cred	1991	11¾ %	86 Nov	108½	7.63
$ 75	American Express O/s	1991	11¾ %	86 Dec	108½	12.18
$ 100	American Express O/s	1991	11¾ %	86 Dec	108½	12.18
$ 50	American Foreign Fin	1991	8 %	88 Jun	100½	8.11
$ 50	American Foreign Fin	1991	8 %	88 Jun	100½	8.11
$ 100	American General Corp	1991	11¾ %	89 Nov	110½	8.57
$ 100	American Intl Group	1991	8 %	88 Jun	100½	8.11
$ 125	American Savings Intl	1991	8 %	88 Jun	100½	8.11
$ 100	American Savings Intl	1991	11¾ %	89 Nov	110½	8.57
$ 100	American Tel & Tel	1991	8 %	88 Mar	100½	8.11
$ 100	Amoco Co	1991	8 %	88 Jun	100½	8.11
$ 100	Anheuser-Busch Co	1991	8 %	88 Jun	100½	8.11
$ 75	Arizona Pb Co	1991	8 %	88 Feb	100½	8.11
$ 100	Arizona Pb Finance	1991	8 %	88 Feb	100½	8.11
$ 75	Ashland Oil Finance	1991	8 %	88 Jun	100½	7.94
$ 100	Associates Corp Usa	1991	8 %	88 Jun	100½	8.11
$ 100	Astra	1991	8 %	88 Jun	100½	8.11
$ 100	Atlantic Richfield Co	1991	8 %	88 Jun	100½	8.11
$ 100	Atlantic Richfield Co	1991	8 %	88 Jun	100½	8.11
$ 100	Atlantic Richfield Co	1991	11¾ %	89 Nov	110½	8.57
$ 50	Atlantic Richfield Co	1991	8 %	88 May	100½	8.11
$ 100	Bank Of America	1991	8 %	88 Jun	100½	8.11
$ 100	Bank Of America	1991	8 %	88 Apr	100½	8.11
$ 50	Bankers Trust Ny	1991	8 %	88 Jun	100½	8.11
$ 100	Bankers Trust Ny	1991	8 %	88 Jun	100½	8.11
$ 50	Bat Steyers Co	1991	8 %	88 Jun	100½	8.11
$ 100	Beneficial Cf's Financ	1991	8 %	88 Jun	100½	8.11
$ 100	Bellsouth Properti Inc	1991	8 %	88 Dec	100½	8.11
$ 100	Bellsouth Properti Inc	1991	8 %	88 Dec	100½	8.11
$ 100	Blue Bell Intl	1991	8¾ %	87 Dec	100½	8.11
$ 100	Boise Cascade Corp	1991	8 %	88 Jun	100½	8.11
$ 100	Borden Inc	1991	8 %	88 Jun	100½	8.11
$ 100	Boston Intl Finance	1991	8 %	88 Jun	100½	8.11
$ 100	Burlington O's	1991	8 %	88 Jun	100½	8.11
$ 100	Campbell Soup Co	1991	8 %	88 Jun	100½	8.11
$ 100	Campbell Soup Co	1991	7¾ %	88 Apr	99	7.83
$ 100	Carrier Intl	1991	7¾ %	88 Jun	100	7.74
$ 100	Cbs Inc	1991	11¾ %	92 Dec	108	9.60
$ 100	Chesebrough-Ponds	1991	11¾ %	91 Oct	104½	9.38
$ 100	Chesebrough-Ponds	1991	11¾ %	92 Dec	108	9.38
$ 100	Chevron Corp	1991	8¾ %	88 Apr	99¾	8.67
$ 100	Chrysler Financial Co	1991	10¾ %	91 Nov	110½	9.31
$ 100	Chrysler Financial Co	1991	10¾ %	92 Nov	110½	9.65
$ 150	Citicorp	1991	8 %	88 Aug	100	8.00
$ 150	Citicorp	1991	8 %	88 Aug	99¾	7.15
$ 150	Citicorp	1991	8 %	88 Jan	100½	8.14
$ 150	Citicorp	1991	11¾ %	93 Jun	109½	9.30
$ 200	Citicorp	1991	10¾ %	93 Jan	109½	9.30
$ 200	Citicorp	1991	8 %	88 Feb	100½	8.13
$ 225	Citicorp O/s Finance	1991	11¾ %	89 May	109½	8.63
$ 100	Citicorp O/s Finance	1991	11¾ %	89 Nov	110½	8.63
$ 100	Citicorp O/s Finance	1991	11¾ %	89 Dec	110½	8.63
$ 100	Citicorp O/s Finance	1991	11¾ %	92 Feb	110½	9.38
$ 100	Citicorp O/s Finance	1991	11¾ %	92 Feb	110½	9.38
$ 100	Citicorp O/s Finance	1991	11¾ %	92 Dec	110½	9.38
$ 100	Coast Fed Intl Financ	1991	8 %	88 May	100½	7.99
$ 100	Coca-Cola Company A/w	1991	8 %	88 Feb	100½	8.13
$ 100	Coca-Cola Company	1991	8 %	88 Nov	100½	8.68
$ 100	Coca-Cola Company	1991	8 %	88 Nov	100½	8.68
$ 100	Coca-Cola Intl Financ	1991	8 %	88 Jun	100½	8.68
$ 100	Coca-Cola Intl Financ	1991	8 %	88 Jun	100½	8.68
$ 250	Colgate Palmolive Co	1991	8 %	88 Jun	100½	8.68
$ 100	Commercial Satellite	1991	8 %	88 Jun	100½	8.68
$ 100	Comsat Intl	1991	8 %	88 Jun	100½	8.68
$ 100	Connecticut Mut Life	1991	8 %	88 Jun	100½	8.68
$ 147	Connecticut Mut Life	1991	8 %	88 Jun	100½	8.68
$ 100	Cox Corporation	1991	8 %	88 Jun	100½	8.68
$ 75	Cummins O/s Finance	1991	8 %	88 Jun	100½	8.68
$ 50	Cutler-Hammer	1991	8 %	88 Jun	100½	8.68
$ 100	Dana International	1991	8 %	88 Jun	100½	8.68
$ 100	Dart & Kraft Finance	1991	8 %	88 Jun	100½	8.68
$ 150	Dart & Kraft Finance	1991	8 %	88 Jun	100½	8.68
$ 150	Deere J Credit	1991	8 %	88 Jun	100½	8.68
$ 150	Digital Equipment O/s	1991	8 %	88 Jun	100½	8.68
$ 100	Dow Chemical Co	1991	8 %	88 Jun	100½	8.68
$ 100	Dresser O's Finance	1991	8 %	88 Jun	100½	8.68
$ 250	Du Pont O/s Capital	1991	8 %	88 Jun	100½	8.68
$

Herald INTERNATIONAL Tribune.

BUSINESS / FINANCE

MONDAY, SEPTEMBER 1, 1986

EUROBONDS

Rate Uncertainty Dampens Interest in Currency Bonds

International Herald Tribune

LONDON — Although fixed-rate Eurodollar bond prices had edged up about ½ point over the week by the close of business Friday, uncertainty over international interest rates and a generally bearish view of the dollar's value predominated, and the lull in new issues continued.

Meanwhile, the reluctance of West Germany's central bank to follow the U.S. lead and cut its Lombard rate helped dampen investor interest in Deutsche-mark, European-currency-unit and other European currency bonds.

The difficulty of selling dollar paper was illustrated by the performance of a new $150-million issue launched Tuesday for GTE Corp by UBS Securities. The bond pays 7¼ percent and is due in 1991. Priced to yield 85 basis points above the new five-year U.S. Treasury bonds on the when-issued market, it was quoted Friday at a discount of 2½ points to issue price.

Eurobond Yields
For Week Ended Aug. 27

U.S.$ lg term, Int'l inst.	8.29 %
U.S.$ long term, ind.	8.56 %
U.S.$ medium term, ind.	8.76 %
Can.$ medium term	9.76 %
Aus.$ medium term	13.93 %
French Fr. short term	8.29 %
Sterling medium term	9.65 %
Yen medium term, Int'l inst.	5.61 %
Yen lg term, Int'l inst.	5.99 %
NZ$ short term	17.25 %
ECU short term	7.01 %
ECU medium term	7.59 %
ECU long term	7.75 %

Calculated by the Luxembourg Stock Exchange.

Market Turnover
For Week Ended Aug. 28
(Millions of U.S. Dollars)

	Total	Dollar	Non-dollar Equivalent
Cedel	21,352.2	12,967.5	8,384.7
Euroclear	51,545.2	42,351.3	9,193.9

Japanese investment funds, however, are proving to be consistent takers of fixed-rate dollar bonds — as long as the yield is high. Their target is about 8 percent, compared with a yen interest-rate spectrum of 5 to 6 percent.

The Eurobond market keeps on coming up with ideas to meet their requirements. Last week, it saw two Eurodollar issues structured with high coupons and high premium pricings: the Mortgage Bank of Denmark's $150-million bond due in 1993, which pays 9¾ percent and was priced at 115⅛, and a $200-million issue for Banque Indosuez that pays 10⅛ percent and was priced at 115. It is due in 1993.

The competition among Japanese funds to provide their investors with high returns fuels their interest in such transactions. The Japanese funds also have the accounting advantage of being able to amortize the premium they pay at the end of the life of an investment. Or, they may count it as a capital loss to be written off against capital gains made on other investments, such as discount-priced bonds.

Christiania Bank of Norway also came to the Eurobond market with an issue targeted at a specific pool of Japanese demand: a $100-million, three-year floating-rate-note issue paying the London interbank offered rate less 6 percent for the first year, and Libor plus 3 percent afterward.

IN THE mainstream Eurobond market, the FRN sector as a whole remained the focus of attention. But the Republic of Ireland met a lukewarm response Thursday in launching a $500-million, 12-year floater through Morgan Guaranty. The issue was priced at 100.20 and pays interest flat on the London interbank bid rate, or Libid.

Although the lead manager was able to hold the bond at a discount of 15 basis points on the bid side in the when-issued market, which was equal to the fees paid to managers, many traders drew an instant comparison between the tightly priced Irish issue and a bond introduced for Denmark two weeks earlier by the same house. The Danish issue is now trading at 99.41 to 99.46, compared with its cost to managers of 99.83.

Syndication officials at Morgan, however, said they had already sold a considerable amount of the Irish paper by Friday. They said the borrower had opted for a negotiated mandate rather than inviting bids and had turned down more aggressive proposals from other banks.

The climate for sovereign FRN issuers is certainly good: Belgium's recent FRN issue is trading at levels yielding about 6 basis points below the Libid rate. The republic of Italy is rumored to be the next sovereign name that will seek aggressive terms in this market.

Less controversial than Ireland's FRN was a self-managed perpetual issue launched Thursday by Banque Nationale de Paris paying 7½ basis points over Libor. The bond was traded at 100.24 to 100.26 Friday against a par-issue price. BNP was able to increase the amount of the issue from $400 million to $500 million, although it reportedly has not added to managers' allocations.

Abbey National, one of the "big three" British building societ-

See BONDS, Page 13

In Australia, the Belt-Tightening Begins

By Michael Richardson
International Herald Tribune

SYDNEY — Prime Minister Bob Hawke and his treasurer, Paul Keating, have been crisscrossing the country in the past 13 days explaining why Australia — long known as the "Lucky Country" because of its small, affluent population and rich natural resources — must tighten its belt.

Mr. Hawke tells his audiences that the economy is being battered by falling prices for nearly all the farm and mineral products that accounted for 65 percent of export value in the 1985-86 fiscal year. He adds that through no one's fault, the price collapse has chopped 6.5 billion Australian dollars ($3.9 billion) from national income this year.

"It is a hell of a problem," said Mr. Keating in an interview, pointing to a graph on a easel in one corner of his office in Parliament House. "Export volumes have been rising markedly, but as quick as we have been getting the quantity up, prices have been falling."

The impact on Australia of the slump in world commodity prices largely explains the recent angry denunciations by Mr. Hawke and his ministers of U.S. and European Community farm export subsidies. The Australians assert that the subsidies distort trade and further depress prices.

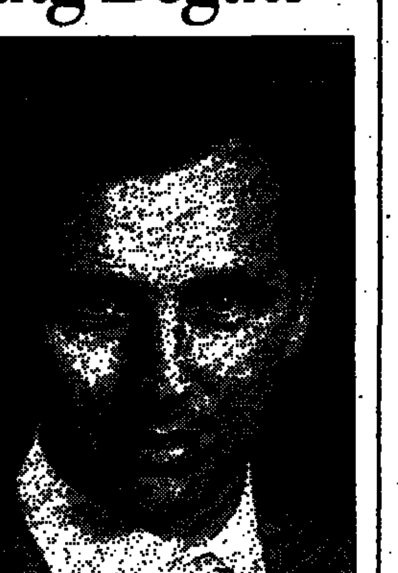
The commodity crisis also has left an indelible imprint on the 1986-87 budget that Mr. Keating and his Labor government presented to Parliament two weeks ago. The budget is the toughest in 20 years.

Government spending on social welfare and other politically sensitive items has been reined in under the new budget. The projected budget deficit for 1986-87 has been cut to 3.5 billion dollars, 2.2 billion lower than the last fiscal year, which ended June 30. The deficit is the difference between government spending and revenue.

But despite these cuts and additional revenue-raising measures, Australia is continuing to spend far more on imports than it is earning from overseas sales.

In a recent report, Westpac Banking Corp., Australia's largest financial institution, commented: "Central to Australia's economic problems remains the yawning deficit on the current account of the international balance

Bob Hawke



Paul Keating

AP

of payments and the worrying pile-up in foreign debt which it represents."

Budget documents reveal that the country's gross external debt, most of it to be repaid in foreign currencies, has ballooned to 86 billion dollars.

The debt, as measured in Australian dollars, had been inflated by a 40-percent fall in the value of the Australian currency in the past year, Mr. Keating says.

The budget forecasts that Australia's current-account deficit will rise from 13.7 billion dollars in 1985-86 to 14.6 billion in 1986-87. Current account measures a country's trade in goods and services as well as interest, dividends and certain transfers.

Last year's figure was equivalent to 5.9 percent of gross domestic product. GDP measures the total value of a nation's goods and services excluding income from foreign investments.

Relative to the size of the economy, this figure was the biggest current-account deficit in the industrial world. "Indeed, in absolute dollar terms, it is exceeded only by the United States," Westpac said.

In an interview, Mr. Hawke warned that bringing imports and exports in balance would be "a slow process" and that international financial and capital markets "should not be surprised about more rather gloomy current-account deficit figures as we go through 1986."

But he and Mr. Keating agreed that the basis had been laid for an improvement in the deficit in 1987.

That view appears to be shared by Salomon Brothers Inc., the New York investment banking firm. It said last week that Australia's fiscal and monetary policies had been tightened significantly "and their successful implementation should pay dividends in terms of improving foreign investor confidence."

Some foreign financiers and investors,

See AUSTRALIA, Page 15

Group Lowers Growth Forecast For South Africa

By Sandra Maler
Reuters

LONDON — A leading international research group has downgraded its forecast for average annual economic growth in South Africa to 3.3 percent from 4.2 percent through 1990 because the country's economy is beginning to suffer from political uncertainty.

"After a long period in which political uncertainties appeared to have only a marginal impact on the domestic economy, there are signs that growth prospects are beginning to suffer," said a special report published in London by The Economist magazine's Economist Intelligence Unit. The report is scheduled to be released Monday.

The lower forecast appears in a revision of a six-month-old report on South Africa's economic prospects from 1986 through 1990. The EIU, which prepares reports on international political and economic developments, said that although "the outlook is far from being one of unremitting gloom, the recovery projected in our central forecast may prove to be weaker, and shorter lived, than we had thought."

The state of emergency imposed in June to quell political unrest increased pressure for international sanctions against Pretoria, but EIU said comprehensive or mandatory sanctions are not yet imminent.

"However," it said, "a gradual stepping up of external pressure does seem likely, with the coal, iron and steel and possibly farming sectors liable to be particularly hard hit in their main Western export markets."

Six Commonwealth leaders endorsed a package of 11 sanctions against Pretoria on Aug. 4 during a meeting in London of the 49-nation group after Pretoria rebuffed a efforts by the European Community to negotiate an end to apartheid.

However, the governments of Britain and the United States, the biggest investors in South Africa, have refused to impose full economic sanctions. The European Community is expected to consider the matter this month.

The domestic economy has been hurt by the loss of external capital, the report said, adding: "Consumer attitudes may also have been changing, with an apparent reluctance to engage in long-term commitments setting back government policies aimed at expansion."

On the other hand, the rand's decline on exchange markets has made South African goods increasingly competitive on international markets, "despite the dampening effect of sanctions, boycotts and the threat of more to come."

With weaker domestic demand, the current-account surplus was projected to remain substantial, gradually declining to $2.5 billion by 1990, the report said.

Losses Rise By 58% at China's Firms

Agence France-Presse

BEIJING — Losses of China's state enterprises were up 58 percent in the first seven months of the year, and the government has threatened to close businesses that do not improve their figures, the news agency Xinhua reported.

Officials at the Finance Ministry and the State Economic Commission have informed all state enterprises that immediate action is needed to prevent further losses, the news agency reported Saturday.

"If any of these factories fails to show improvement, the government will close it down," the report quoted an unidentified official as saying.

Xinhua quoted officials as saying that losses in the first seven months of 1986 were 58 percent higher than in the year-earlier period. The agency did not specify how many enterprises had posted losses or provide overall figures.

Official statistics released in the past have indicated that nearly 20 percent of China's enterprises are incurring losses.

Analysts said the report apparently was aimed at supporting China's new bankruptcy legislation, which was revised last week to cover state-owned enterprises only.

Closing government-owned enterprises would be difficult, the analysts said, with potentially dramatic social implications. They said it was unlikely that any of the companies would be shut down soon.

OPEC to Cut Output Today as Price Effort Begins

Agence France-Presse

PARIS — The Organization of Petroleum Exporting Countries is to reduce its production Monday by more than three million barrels a day, launching a two-month effort to reverse the slide in oil prices.

OPEC members agreed to the reduction in output last month in Geneva. The accord had the immediate effect of boosting prices, particularly when nations outside the cartel voiced their support.

Oil prices, which fell well below $10 a barrel in July, have risen since by as much as $5. In London, the price of North Sea Brent crude for September delivery reached $14.30 Thursday, while West Texas Intermediate reached $15.80 in New York.

Oil industry experts are viewing the upward trend with skepticism. One expert said that the market was so fragile that prices could plunge again easily. The degree to which OPEC members enforce the agreement and the support lent by nonmembers will determine the stability of the world oil market.

The Soviet Union has pledged to reduce its output by 100,000 barrels a day, and China and Norway have said they are considering cuts in production.

The 13 OPEC members have agreed on an overall cut in production from 20 million barrels a day in July to 16.8 million in September and October. The only country that is exempt from the cuts is Iraq, which will continue to produce 1.9 million to 2 million barrels a day.

Mexico has made its intentions clear, announcing a 10-percent cut in exports to 1.35 million barrels a day. OPEC's biggest producer, Saudi Arabia, is expected to reduce production from around 6 million barrels a day to 4.35 million.

The general mood of uncertainty has been increased by the prospect of a new Iranian offensive against Iraq in the Gulf war. Iran's parliamentary speaker, Hashemi Rafsanjani, accused Gulf countries on Friday of being "accomplices" of Iraq.

He said Iran would be "within its rights" if it blocked the Strait of Hormuz, which would seal off the Gulf to shipping.

Industry experts anticipate only a moderate increase in worldwide consumption in the second half.

People Hastened Failure Of Frontier, Some Say

The Associated Press

NEWARK, New Jersey — Frontier Airlines was in fragile shape when People Express Inc. bought it 10 months ago, but some industry consultants and financial analysts feel that People's policies hastened the subsidiary's demise.

People Express announced meanwhile Friday that it would not declare the second-quarter dividend on its Series A $2.64 cumulative convertible preferred stock. A spokesman for the company, Russell Marchetta, said the move was designed to conserve cash.

"They were the classic victims of deregulation," said Morten S. Beyer, president of the Virginia-based airline consulting firm Avmark Inc., referring to Frontier.

Analysts said that United Airlines and Continental Airlines, the two other carriers in the fiercely competitive Denver market, were able to siphon off some customers from Frontier partly because of the market expansion and fare flexibility that resulted from deregulation.

But Mr. Beyer said People Express played a role in Frontier's demise by cutting fares. "They couldn't have made up the difference if the airplanes were 100-percent full," he remarked.

Hans Plickert, first vice president at E.F. Hutton & Co. in New York, said Frontier's image changed after People Express took over. "Frontier as a reliable, on-time airline went by the boards," he said.

Other analysts have criticized People's policy of charging for Frontier services that previously had been free, a move that sent travelers to the carrier's competitors. People later dropped the practice, but the damage already had been done.

Many analysts agreed with Edward J. Starkman at Paine Webber in New York that 40-year-old Frontier already was "quite a sick patient" when People Express bought it in November from GenCorp Inc.'s RKO Enterprises of Ohio Inc.

Analysts disagree on whether the carrier could have survived if it had been bought by a company other than People.

Frontier lost $13.8 million in 1983 and $31 million in 1984, and RKO seriously considered liquidating the airline when it couldn't find a buyer.

People Express bought the airline for $300 million. Analysts have said the purchase was unwise for People Express, which also owns People Express Airlines, Britt Airways and Provincetown-Boston Airline. At the time, Frontier was the No. 3 airline in the Denver market.

People Express, which lost $132.5 million in the first half of the year, eliminated a major cash drain by placing Frontier under bankruptcy protection Thursday. Frontier lost $10 million a month in the first half of this year.

Even after it was shut down on Aug. 24, the subsidiary lost $1 million a day until it was placed under bankruptcy protection.

People Express received $58 million from United for landing slots, hangars and other assets as part of a $146-million agreement to buy Frontier. But that money already has been used to cover Frontier's expenses.

United, citing a labor dispute and the diminished condition of Frontier, canceled the sale. People Express will not get the remaining $90 million.

People Express was counting on those funds to help pay for its conversion from a no-frills airline catering to leisure travelers to an all-purpose carrier.

Japan Lowers Growth Forecast To 2.8% for '86

Agence France-Presse

TOKYO — The government expects Japan's economy to grow by 2.8 percent in fiscal 1986, far below the original target of 4 percent, the Kyodo News Service reported Sunday.

The news service said the new projection underscored a government report issued Tuesday that attributed the halt in growth to the yen's sharp appreciation. It said the yen's rise had slowed business activity and pared export volume.

Growth of 2.8 percent in the fiscal year ending March 31, 1987, would be the worst economic performance by Japan since fiscal 1974, when the economy contracted 0.4 percent in the aftermath of an oil crisis, Kyodo said.

The original projection for fiscal 1986 growth, made in December, was based on an average exchange rate of 204 yen to the dollar, Kyodo said. The currency's value has risen since then to about 155 yen to the dollar.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Last Wk.	Prev.Wk.	Ch'ge
DJ Indus.	1,898.34	1,887.80	+0.56 %
DJ Util.	219.15	217.39	+0.81 %
DJ Trans.	772.13	761.75	+1.36 %
S&P 100	237.32	234.42	+1.24 %
S&P 500	252.93	250.19	+1.10 %
S&P Ind.	278.14	275.24	+1.05 %
NYSE Co.	145.32	143.88	+1.00 %
Britain			
FTSE 100	1,460.90	1,407.10	+3.35 %
FT 30	1,311.90	1,271.20	+3.20 %
Hong Kong			
Hang Seng	1,913.00	1,946.03	−1.73 %
Japan			
Nikkei 225	18,533.68	18,441.31	+0.50 %
West Germany			
Commerzbk	2,095.80	2,091.00	+0.23 %

Source: James Capel & Co. London.

Money Rates

United States	Last Wk.	Prev.Wk.
Discount rate	5½	5½
Federal funds rate	5 11/16	5⅞
Prime rate	7½	8
Japan		
Discount	3½	3½
Call money	4½	4⅝
60-day interbank	4⅝	4⅝
West Germany		
Lombard	5½	5½
Overnight	4.50	4.50
1-month interbank	4.60	4.60
Britain		
Bank base rate	10	10
Call money	10¼	10¼
3-month interbank	9 7/16	9 13/32

Dollar	Last Wk.	Prev.Wk.	Ch'ge
Bk Engl Index	106.75	107.26	−0.48 %
Gold			
London p.m. fix, $	384.70	385.10	−0.10 %

Currency Rates

Cross Rates

Aug. 29

	$	£	D.M.	F.F.	H.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.2155	3.421	112.815 *	34.425 *	0.1635 *	—	5.45 *	139.84 *	148.55 y
Brussels(a)	42.495	62.83	20.7088	6.319	3.0015 *	18.355	—	25.663	27.285 *
Frankfurt	2.052	3.034	—	30.515 *	1.449 x	88.62 *	4.828 *	123.95 *	1.317 *
London (b)	1.487	—	3.0288	9.9195	2,091.50	3.42	63.76	2.4428	220.085
Milan	1,414.50	2,091.50	690.08	210.55	—	611.55	33.309	854.99	9.088
New York(c)	—	0.6702 =	2.0295	6.6565	1,401.00	2.291	42.015	1.639	153.95
Paris	6.7233	9.985	3.2768	—	4.749 x	2.9047	15.8275 *	4.06	4.315 *
Tokyo	154.10	230.72	75.96	23.19	11.02 *	67.31	367.47 *	94.28	—
Zurich	1.6445	2.4455	80.75 *	24.43 *	0.1169 *	71.525 *	3.8971 *	—	1.0634 *
1 ECU	1.0245	0.6922	2.1002	6.8825	1,449.13	2.3693	43.4846	1.6907	159.563
1 SDR	1.20689	0.8164	2.47654	8.11452	1,708.57	2.7946	51.2868	1.9986	188.396

Closings in London and Zurich, fixings in other European centers. New York rates at 4 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (=) To buy one pound: $U.S.1.492

Other Dollar Values

Currency per U.S.$		Currency per U.S.$		Currency per U.S.$		Currency per U.S.$	
Argen. austral	0.97	Fin. markka	4.913	Mex. peso	705.00	Soviet ruble	0.6785
Austral. $	1.6521	Greek drac.	134.20	Norw. krone	7.29	Span. peseta	134.50
Austr. schil.	14.42	Hong Kong $	7.8045	Phil. peso	20.25	Swed. krona	6.985
Belg. fin. fr.	42.82	Indian rupee	12.56	Port. escudo	144.00	Taiwan $	36.97
Brazil cruz.	13.77	Indo. rupiah	1,131.00	Saudi riyal	3.7501	Thai baht	26.115
Canadian $	1.3927	Irish £	0.7463	Sing. $	2.16	Turkish lira	673.50
Chinese yuan	3.7036	Israeli shek.	1.486	S. Afr. rand	2.5927	UAE dirham	3.6728
Danish krone	7.4775	Kuwaiti dinar	0.2928	S. Kor. won	878.50	Venez. boliv.	19.78
Egypt. pound	1.35	Malay. ring.	2.608				

Sterling: 1.1018 Irish £

Sources: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Markets Closed

Financial markets and banks are closed Monday in the United States and Canada for holidays.

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All these Shares having been sold, this announcement appears as a matter of record only.

Lafarge Coppée

800,000 Shares of Common Stock
(FF 100 par value)
FF 1300 per Share

The above Shares were underwritten by the following group of International Underwriters

Crédit Commercial de France

Deutsche Bank Aktiengesellschaft • Kleinwort Benson Limited
Kredietbank International Group • Merrill Lynch Capital Markets
The Nikko Securities Co., (Europe) Ltd. • Swiss Bank Corporation International Limited

France
Crédit Commercial de France
Banque Indosuez • Banque Nationale de Paris • Banque de Neuflize, Schlumberger, Mallet • Crédit Agricole
Crédit Industriel et Commercial de Paris • Crédit Lyonnais • Lazard Frères et Cie • Société Générale

Belgium
Kredietbank International Group
Generale Bank

Federal Republic of Germany
Deutsche Bank Aktiengesellschaft
Bayerische Vereinsbank Aktiengesellschaft • Berliner Handels- und Frankfurter Bank • Dresdner Bank Aktiengesellschaft
Merck, Finck & Co. • Sal. Oppenheim jr. & Cie. • Westdeutsche Landesbank Girozentrale

Japan
The Nikko Securities Co., (Europe) Ltd.

Switzerland
Swiss Bank Corporation International Limited
Swiss Volksbank
Bordier & Cie • Compagnie de Banque et d'Investissement, CBI
HandelsBank N.W. • Union Bank of Switzerland (Securities) Limited

United Kingdom
Kleinwort Benson Limited
Cazenove & Co. • Kleinwort Grieveson and Co. • Laurence, Prust & Co. Ltd.

Other Countries
Merrill Lynch Capital Markets
Algemene Bank Nederland N.V. • Arab Banking Corporation (B.S.C.)
Enskilda Securities Skandinaviska Enskilda Limited • Genossenschaftliche Zentralbank AG Vienna

July 1986

هكذا من الأصل

International Bond Prices

(Continued)

SOUTH AMERICA

SPAIN

SUPRANATIONAL

SWEDEN

SWITZERLAND

UNITED KINGDOM

UNITED STATES AMERICA

FRENCH FRANCS

JAPANESE YEN (EURO)

CANADIAN DOLLARS

EURO CURRENCY UNITS

NORWAY KRONERS

POUNDS STERLING

NASDAQ National List

OTC consolidated trading for week ended Friday.

CONVERTIBLE BONDS

Aug. 28

EUROPE

U.S.A.

MISCELLANEOUS

HIGHEST CURRENT YIELDS

On convertibles having a conversion premium of less than 10%.

Explanation of Symbols

CDS	Canadian Dollar	SDR	Special Drawing Rights
ECU	European Currency Unit	Y	Yen
EUA	European Unit of Account	LFR	Luxembourg Franc
£	Pound Sterling	SFR	Swiss Franc
DM	Deutsche Mark	FF	French Franc
NMD	Norwegian Kroner - DM		

How to choose a travel agent.
Getting the most
out of your travel budget.
When is a train better than an airplane?

ROGER COLLIS
THE FREQUENT TRAVELER
Every Friday in Travel

هكذا من الأصل

New Eurobond Issues

Compiled by Aimée Potter Hardoux from information supplied by European bond traders.

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
FLOATING RATE NOTES						
Banque Nationale de Paris	$500	perpt	0.075	100	100.20	Over 6-month Libor. Callable at par in 1991. Fees 0.30%. Denominations $10,000.
Christiania Bank	$100	1989	—	100¼	—	Coupon will be Libor less 6% in first year and Libor plus 3% thereafter. Noncallable. Fees 0.20%. Denominations $100,000.
City Federal Savings & Loan	$100	1993	0.05	100	—	Over 3-month Libor. Callable at par in 1989. Fees 0.20%. Denominations $100,000.
Den Danske Provinsbank	$100	1991	libor	100	—	Coupon will be the 6-month Libor with no margin. Noncallable. Fees 0.12%. Denominations $100,000.
Ireland	$500	1998	libid	100.20	100	Coupon will be the 6-month Libid with no margin. Callable at par in 1993. Fees 0.15%. Denominations $10,000.
Abbey National Building Society	£ 500	1991	0.08	100.05	99.85	Over 3-month Libor. Noncallable. Fees 0.17%. Denominations £10,000.
Nevi	DK 600	1993	⅛	100	99.70	Redeemable at par in 1991 and callable at par in 1989. Fees 0.35%.
FIXED-COUPON						
Banque Indosuez	$200	1993	10¼	115	—	Noncallable. Fees 1⅞%.
GTE Finance	$150	1991	7¼	101	98.50	Noncallable. Fees 1⅞%.
Hessische Landesbank Girozentrale	$100	1996	8	101¼	98.95	Noncallable. Fees 2%.
Massachusetts Mutual Insurance	$100	1993	7½	100½	98.63	Noncallable. Fees 1⅞%.
Mortgage Bank of Denmark	$150	1993	9¾	115⅝	115.13	Semiannually. Noncallable. Fees 1⅞%.
BHW Finance	DM 150	1996	6⅝	99¼	—	Noncallable. Fees 2½%.
[illegible]	DM 75	1991	6½	100½	—	Noncallable. Fees 2%
Lufthansa International Finance	DM 500	1996	6	100	—	Noncallable. Fees 2½%.
Province of Manitoba	DM 150	1996	5⅞	99½	—	Noncallable. Fees 2½%.
Copenhagen Telephone	FF 500	2001	8	100¼	98.75	Redeemable and callable at par in 1991 and 1996, when new terms may be set. Fees 1⅞%.
Merrill Lynch	ECU 75	1990	7	100¾	99.25	Noncallable. Fees 1½%
Die Erste Osterreichische Sparcasse	C$ 75	1991	9⅝	101½	99.63	Noncallable. Fees 1⅞%.
TD Mortgage	C$ 100	1991	9⅝	100¾	99.00	Noncallable. Fees 1⅞%.
Austria	Y 40,000	1996	5⅝	101½	99.38	Noncallable. Fees 2%.
Austria	Y 20,000	2001	5⅞	101¾	99.25	Noncallable. Fees 2⅛%.
Electricité de France	Y 20,000	1996	5⅝	101½	99.38	Noncallable. Fees 2%.
General Motors Acceptance Corp.	Y 60,000	1991	5⅝	101½	99.38	Noncallable. Fees 1⅞%
EQUITY-LINKED						
Asics	$ 50	1991	3⅛	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 569 yen per share and at 156.05 yen per dollar. Fees 2¼%
Fujita	$ 70	1991	3⅛	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 777 yen per share and at 155.90 per dollar. Fees 2¼%.
Joshin Denki	$ 80	1991	open	100	—	Coupon indicated at 3⅛%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Sept. 5.
Kansai Paint	$ 40	1991	open	100	—	Coupon indicated at 3⅛%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Sept. 4.
Nippondenso	$100	1991	open	100	99.50	Coupon indicated at 3⅛%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Sept. 3.
Nippon Zeon	$60	1991	open	100	—	Coupon indicated at 3⅛%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Sept. 9.
Q.P. Corp.	$70	1991	2⅝	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,384 yen per share and at 155.90 yen per dollar. Fees 2¼%. $50 million issued in Europe and $20 million in Asia.
Yamaha Motor	$100	1991	3⅛	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 682 yen per share and at 156.00 yen per dollar. Fees 2¼%.
International Rubber Finance	DM 150	1996	open	150	—	Coupon indicated at 6%. Noncallable. Each 1,000-mark note with two 10-year warrants, exercisable into 6 Conti Gummi shares at 323 marks each, a 3.40% discount, and one 3-year warrant exercisable at par into a 6% bond due 1994. Fees 2½%. Terms to be set Aug. 27.
SBC Finance	Y 20,000	1993	open	100	104.00	Coupon indicated at 2%. Noncallable. Each 1 million-yen note with 21 six-year warrants exercisable into company's bearer participation certificates at a price to be set Sept. 1. Fees 2½%.
WARRANTS						
First Boston	0.25	3 mos	—	$14½	—	Warrants exercisable at 102 5/32 into U.S. Treasury's 7¼% bond due 1993.

Activity Rises After Weak Trade Data

By H.J. Maidenberg
New York Times Service

NEW YORK — Bond investors abandoned their usual pre-Labor Day caution and aggressively snapped up short- and long-term Treasury debt after the U.S. government reported a record trade deficit for July. As a result, Treasury bill rates and yields on coupon notes and bonds tumbled.

"The market's strength was impressive because a big trade deficit had been rumored Thursday, when prices began to rise," said Maria F. Ramirez, first vice president and money market economist at Drexel Burnham Lambert Inc. "But the magnitude of the deficit, a record $18.04 billion, was much higher than had been rumored, and this sparked fresh buying" Friday morning, she added. "Ordinarily, most investors would have had their books closed for the long weekend."

The July deficit not only eclipsed the previous record of $16.46 billion set in January and the revised $13.25 billion posted in June, but also heightened expectations of another cut in the discount rate by the Federal Reserve in coming weeks, Ms. Ramirez said.

A soaring trade deficit is a bearish economic indicator. The fact that the sharp decline in the dollar's value and two-point drop in the discount rate thus far in 1986 have not stimulated the economy

U.S. CREDIT MARKETS

has renewed expectations that the Fed will have to push interest rates still lower.

"A further reduction in the discount rate from its current level, 5.5 percent, would have its greatest impact on short-term rates," Ms. Ramirez said. "The yields on longer maturities would be less affected because holders and investors in long-term bonds are more concerned about a recession, and subsequent resurgence of inflation."

In late trading Friday, the discount rate on 90-day Treasury bills dropped 12 basis points, or hundredths of a percentage point, to 5.17 percent; the six-month issue plunged 15 basis points, to 5.17 percent, and the one-year bill rate fell 9 basis points, to 5.24 percent.

At the moment, investors in long-term bonds are benefiting from the steepening of the yield curve. For example, Ms. Ramirez noted that just before the Fed cut the discount rate by half a percentage point, to 5.5 percent, on Aug. 20, the rate on 90-day Treasury bills, as computed on a coupon-yield basis, was 5.65 percent, while the yield on the long 30-year bond was 7.20 percent. The spread was thus 153 basis points.

By Friday, the yield curve had steepened to 201 basis points, as the coupon-equivalent rate on the 90-day bills was down to 5.29 percent and the yield on the long bond was still 7.20 percent.

U.S. Consumer Rates
For Week Ended Aug. 29

Passbook Savings	5.50 %
Tax Exempt Bonds Bond Buyer 20-Bond Index	6.93 %
Money Market Funds Donoghue's 7-Day Average	5.83 %
Bank Money Market Accounts Bank Rate Monitor Index	5.81 %
Home Mortgage FHLB average	11.00 %

Canada Reports 0.8% Growth for Quarter

Reuters

OTTAWA — Canada has reported second-quarter growth that was higher than expected, sparking optimism about economic performance for the rest of the year.

Economy officials said gross domestic product, the main indicator of the Canadian economy, rose 0.8 percent in the second quarter compared with 0.5 percent in the first quarter.

"It looks like we have 2.5-percent [annual] growth built in already, if not more," said J.D. Donnegan, an economist with the securities firm Midland Doherty. "So barring any complete disaster in the second half, you're probably going to see growth in the 3-to-3.5-percent range in 1986."

Last year the Canadian economy grew 4.4 percent, but many economists, after the weak first-quarter showing, forecast an increase of 3 percent or less in 1986.

The growth in the second quarter sent the Canadian dollar soaring on North American money markets Friday. For the first time in nearly two weeks it rose above 72 U.S. cents after closing at 71.85 cents Thursday. Money traders had been predicting no growth in the second quarter and the poor performance of the currency recently reflected those sentiments.

Irene Ip, chief forecaster for the securities firm Wood Gundy, said the strong growth in GDP, the total output of goods and services minus income from operations abroad, considerably improved the outlook for the ailing currency.

"We needed this shot in the arm because market participants have either been getting negative or neutral news, and they need something positive to point to," she said.

Economists said the currency's firming should allow the central bank, the Bank of Canada, to lower interest rates and stimulate growth.

Also helping the Canadian dollar were figures released Friday showing that the deficit in the merchandise trade had shrunk to 1.8 billion Canadian dollars in the second quarter from a record 2.9 billion dollars in the first.

Canadian earnings are heavily dependent on trade, particularly trade with the United States.

Egypt in Talks With IMF

Reuters

CAIRO — Egyptian officials will open talks Monday with a four-man International Monetary Fund delegation to review recent economic measures and consider Egypt's request for a standby agreement.

WORLD STOCKS IN REVIEW / *Via Agence France-Presse*

Amsterdam

AMSTERDAM — Trading on the stock exchange was hesitant last week. The ANP-CBS General Index closed Friday at 294.7 points, down from 295.9 the week before, and total volume fell from 8.29 billion guilders to 6.012 billion.

Royal Dutch shares firmed, reaching a high for the year, on optimism that the worldwide oil market is improving, according to the Amsterdam stockbrokers Kempen & Co.

The index, which rose to a record 299.6 the previous week, fell back Monday and Tuesday. The announcement by the Dutch minister of economic affairs, Rudolf de Korte, that the economy was making a strong recovery boosted the index Wednesday.

Shares fell again Thursday and Friday in response to West Germany's decision not to cut its discount rate and to a forecast of lower growth next year by the Dutch Central Planning Bureau.

Frankfurt

FRANKFURT — The stock exchange proved particularly attractive last week to foreign investors, who helped push up the Commerzbank index 4.8 points to 2,095.8.

Volume fell to 2.824 billion Deutsche marks from 3.499 billion DM the previous week.

Demand was strong in automobile, chemical and department-store stocks. BMW gained 32.5 DM to end the week at 644.5, Daimler was 16 DM stronger at 1,322 and Volkswagen rose 4.30 to 512.80.

Schering, the pharmaceuticals concern, closed at 623 DM, up 26. Among department stores, Horton and Karstadt were up 16 and 20 DM respectively.

Bank stocks were mixed amid speculation that the Bundesbank might cut its discount rate after its meeting Thursday. The central bank decided to keep the rate at 3.5 percent.

Deutsche Bank lost 7.50 DM and Dresdner lost 6, while Commerzbank advanced 12.5.

Hong Kong

HONG KONG — Hong Kong's Hang Seng Index shed 33.03 points last week to 1,913.00 mainly because of investor disappointment at interim results announced by several major local concerns.

The Hong Kong Index also slumped, losing 17.12 points to 1,199.84. But the stock market's general outlook remained reasonably bullish, one analyst said, and prices were expected to rise again this week.

Midyear results announced by the Hang Seng Bank triggered a drop of more than 29 points in the index on Tuesday, dealers said.

But favorable results by Hongkong & Shanghai Bank lifted the index Wednesday by almost 16 points. Prices inched up Thursday as overseas institutions bought blue chips and local investors awaited other results.

Analysts said most investors were disappointed with results reported by Cathay Pacific on Thursday and Hutchison Whampoa and Swire Pacific on Friday, and prices fell across the board.

London

LONDON — Interest-rate uncertainty failed to dampen investors' enthusiasm last week on the London Stock Exchange, where good U.S. support for international issues together with the buoyancy of bank and oil sectors kept the general feeling very firm, analysts said. Spirits also got a lift from an opinion poll more favorable to the Conservative government of Prime Minister Margaret Thatcher.

The Financial Times industrial share index gained 40.7 points for the week to 1,311.9. The volume of transactions fell from 105,313 to 81,596.

The stockbrokerage Laurence Prust was bullish, saying that reduced energy costs would stimulate the world economy during the next two years and that another concerted effort to reduce interest rates was coming soon.

Oil stocks were supported by better spot prices, although BP second-quarter results, released Thursday, were disappointing.

Milan

MILAN — Prices on the Milan Bourse inched forward last week in cautious trading, with dealers awaiting firm news on the government's budget and Montedison's bid to acquire part of the Swedish group Fermenta.

The COMIT index gained 0.37 percent for the week, to close at 817.10 points against 814.11 the previous Friday. Volume, at 190 million shares, remained generally high although down from 204 million a week earlier, and the value of shares traded fell to 1.057 trillion lire from 1.472 trillion.

The market stood its ground, despite a generally cautious mood sharpened by end-of-month settlements and some watchfulness as the budget debate got under way, analysts said.

Montedison ended the week down 0.55 percent as its bid to acquire Fermenta encountered resistance. Fiat shares were very active but moved up only 0.50 percent, and insurances and financials were steady.

Paris

PARIS — The bourse's CAC index soared to record 412 on Friday, up 9.9 points for the week, on strong demand for French and foreign oil shares.

One trader predicted that this week would see a bout of profit-taking, but said that the bourse was in good health. Volume rose to 37.99 billion French francs from 36.88 billion the previous week.

The previous CAC record, 411.8, was set May 15 on hopes for the economy under a new, more business-oriented government. But the market turned sluggish after mid-May and remained so until several weeks ago.

This time, analysts said, the pick-up should be more sustained than it was in the spring. The gains are based on a series of favorable indicators, notably in trade, inflation and French economic activity.

Oil companies were the principal gainers last week, reflecting confidence in the prospect of higher crude prices. Foreign investors were particularly attracted to PSA, Michelin, Thomson, Althsom, Pernod Ricard and BSN.

Singapore

SINGAPORE — Share prices surged in active trading last week despite bouts of profit-taking.

The Straits Times Industrial Index chalked up 27.14 points to 838.48. Volume rose 51.8 percent to 139.15 million shares while value of shares traded shot up 32.2 percent to 253.49 million dollars.

The market was bullish in anticipation of a favorable National Day message from Prime Minister Mahathir bin Mohamad of Malaysia on Sunday. Better-than-expected midyear reports from some local concerns also strengthened market sentiment, dealers said.

The jailing of the Malaysian politician and businessman Tan Koon Swan caused a minor shock in the market Tuesday, but that was quickly overcome.

Dealers said they expected the market to continue on its optimistic trend and the Straits Times index to pass 850 soon.

Property-based UOL topped the list of actives. Among industrials, National Iron & Steel Mill rose 42 cents to 4.78 on a good earnings report.

Tokyo

TOKYO — Share prices were mixed in Tokyo last week in extremely erratic trading.

The 225-blue chip Nikkei average gained 92.37 yen to end the week at 18,533.68, but the composite index of all common stocks fell 17.40 points to 1,526.73, indicating that investors were focusing on blue chips.

Average daily volume fell to 1.228 billion shares from 1.726 billion the previous week. Average value fell to 893.963 billion yen from 1.3 trillion yen a week earlier.

Trading slowed Thursday and Friday from a record 437.78-yen gain on the blue-chip index Monday on the Bundesbank's decision to maintain its discount rate.

Nippon Steel and Nippon Kohan led the active list, while Tokyo Electric Power was the main profit-taking target, falling to 6,640 from 7,160 a week earlier.

Zurich

ZURICH — Demand was high last week on the stock exchange, a trend that analysts predicted would continue for the next few days.

The Crédit Suisse Index rose 8.3 points to 536.4. Investors continued to predict interest-rate cuts by Japan and West Germany, despite the rejection of such a move by both nations' central banks.

Union de Banques Suisses gained 80 points to 5,860, while finance companies were mixed.

Insurance firms were stronger, notably Zurich bearer shares, which were up 300 to 7,700. Industrials were weaker, led by Alusuisse bearer shares, which lost 40 to finish the week at 590.

Food and chemical shares were well supported. Nestlé nominal shares rose 45 to 4,370 while Sandoz gained 300 to 10,900.

Ford Cuts Interest Rates

United Press International

DETROIT — Ford Motor Co. said Friday that it would offer 2.9-percent financing on three-year loans, after Chrysler Corp. and General Motors Corp. announced low-interest plans.

IMF Approves Disbursement of Tanzanian Loan

Agence France-Presse

DAR ES SALAAM, Tanzania — The International Monetary Fund has approved the disbursement of 2.12 billion Tanzanian shillings ($50.5 million) to Tanzania in the first installment of a loan package, an official said here Saturday.

Ruedasabter Enrique, acting chief representative of the World Bank in Tanzania, said the IMF's board of directors approved the payment of the first installment at a meeting in Washington on Wednesday.

Mr. Enrique said Tanzania would receive the second installment of the loan in 18 months and draw subsequent installments every six months.

Under a three-year economic recovery program begun this year, the country is to spend 183 billion shillings on rehabilitating its agricultural, industrial and transportation sectors.

Mr. Enrique declined to reveal the overall amount of the IMF loan package for Tanzania, which was approved in June after six years of negotiations. But Tanzania has projected that it will require 334.42 billion shillings over the next three years to resuscitate the economy.

BONDS: *Lull in New Issues*

(Continued from first finance page)

ies, set a milestone by launching a £500-million five-year FRN, the largest Eurosterling issue ever. It was structured by Samuel Montagu, the lead manager, as a benchmark.

The British building societies, which initially were classed with the U.S. savings and loans institutions when they first came to the Eurobond market last year, are now better understood as credit risks. But terms for the Abbey issue were fine, with a margin of 8 basis points over Libor.

Dealers generally agreed, however, that the liquidity offered by the issue would be similar to that of a dollar FRN and that with a little time, its trading level would improve its level of 99.89 to 99.91 on Friday as a result. In any case, Abbey has beaten its competitors to the punch: A round of building society financings is expected this fall.

The Euroyen market ended last week on a duller note than it started, even though Japanese bankers remained mostly confident that the Bank of Japan would follow the U.S. Federal Reserve's example and cut its discount rate sometime in September. A glut of new issues was the problem, and offerings for the republic of Austria, General Motors Acceptance Corp. and Electricité de France all traded at levels outside their commissions.

Swiss Bank Corp. was more successful with its 20-billion-yen issue, which had warrants attached giving holders the option to buy its bearer participation certificates. The bonds were soon traded at a 4-point premium.

Last Week's AMEX

AMEX Most Actives

Vol.		High	Low	Last	Chng.
Wickes	40219	5¼	4⅝	5¼	+ ¼
BAT	18838	6⅞	6	6⅞	
Amdahl	17308	21	17¾	21	+3
LorTel n	13842	24⅝	21⅝	24⅝	+1
WangB	12006	15	14⅛	14⅝	+ ⅛
SierSit	11906	18¾	16¼	17⅝	— ¾
EchoB g	9931	28⅝	19⅛	28⅛	+1⅛
AM Intl	9056	6⅝	5⅝	6⅝	+ ⅜
TexAir	8483	31⅝	27⅞	31⅛	+1¾
ImpOil g	6172	31⅞	30⅛	31⅞	+1⅛
TIE	5699	5⅝	4⅝	5⅜	+ ½
Hasbr s	5564	28½	26⅛	27⅛	— ⅞
HmeSh n	5867	133	102	119	+15¾
Dillrd s	5023	38	34⅝	35¼	—1⅞
HmeGp	5087	23⅝	22	22¼	—1
Withrd	4884	1½	1	1⅞	+ ⅛
CMI Cp	4833	3⅞	3¼	3¾	
HrnHar	4246	12⅝	11¾	12	— ¾
HmeSh wi	4214	44½	34½	39¾	+5¼
Alza s	4202	23⅝	21¼	21⅞	—1⅛
WDigitl	4192	14¼	13½	13¾	— ⅛
Hormel	4099	32	31¼	32	+ ¾
Matrix s	3980	18⅛	17⅝	17⅞	+ ⅛
PhilLD	3954	11	8¾	10½	+1⅝
EntMkt	3947	22⅝	18¾	22⅛	+ ⅝

AMEX Sales

	Sales Vol.
Total for week	46,820,000
Week ago	44,620,800
Year ago	31,218,800
Jan 1 to date	2,077,090,000
1985 to date	1,354,730,000
AMERICAN BONDS =	
Total for week	13,740,000
Year ago	10,490,000

AMEX Diaries

	This Wk	Last Wk
Advanced	394	385
Declined	349	395
Unchanged	182	148
Total Issues	925	928
New Highs	72	74
New Lows	36	32

Last Week's NYSE

NYSE Most Actives

Vol.		High	Low	Last	Chng.
OhioEd	202311	22⅝	21⅝	22⅝	+ ½
DuqLt	93369	14⅞	13⅞	14⅛	— ⅛
AT&T	82779	24¾	23¼	24⅝	+1⅛
Mobil	72934	37¼	35⅞	35⅞	+ ¼
IBM	70037	142	138	138¾	+ ¾
OwenC	69171	81¾	78	79⅛	—2⅛
TexUtil	68698	37½	36⅛	36⅞	+ ¼
ICN	55487	25¾	20	24	—4
Exxon	52741	69⅝	65⅞	68⅞	+3¼
FlaPro	51631	46⅝	44½	44¾	—1⅞
Gould	49621	22⅛	18¾	21	+2
Texaco	47773	34⅛	31⅞	33⅝	+1⅛
Schlmb	47217	34¼	32	34	+1⅞
Chevrn	46713	45	42¼	44¼	+1¾
CocaCl s	43619	39¼	37	37⅞	— ¾
OcciPet	43482	30⅛	27⅝	29⅝	+1⅝
Safewy	42940	66⅝	61	62¼	—4
BenfCp	42443	73	69⅞	72⅛	— ⅞
PhilPet	40318	10½	9⅝	10¼	+ ⅝
CmwE	38296	34⅞	33¼	34⅝	+1⅛
EKodk	37813	57¾	56⅛	56⅝	+ ½
Sears	37763	47¼	45¼	45¾	—1½
MerLyn	37613	38⅞	35⅞	37⅞	+1½
GMot	36754	74	71⅛	72	— ¾
AtlRich	34827	58⅝	55¼	57½	+1½

NYSE Sales

	Sales Vol.
Total for week	654,610,000
Week ago	632,060,000
Year ago	408,240,000
Two years ago	347,180,000
Jan 1 to date	23,294,231,793
1985 to date	17,861,330,000
1984 to date	15,681,620,000

NYSE Diaries

	This Wk	Last Wk
Advanced	1216	1252
Declined	795	748
Unchanged	206	203
Total Issues	2217	2203
New Highs	289	332
New Lows	42	47

SELECTED U.S.A./O.T.C. QUOTATIONS

	BID	ASK
Bitter Corp.	3⅞	4⅞
GoodMark Foods	11⅜	11⅝
MAG Holdings	3½	1⅞
Modulaire	8½	9¼
Mr Gasket	6	6⅛

WITH COMPLIMENTS OF CONTINENTAL AMERICAN

These prices are as of August 28, 1986

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NASDAQ National Market

OTC Consolidated trading for week ended Friday.

Stock	Div.	Yld.	Sales in 100s	High	Low	Close	Net Ch'ge
A							
ABS	.40	3.3	193	18¼	18	18	
ADC s			320	18⅞	18½	18⅝	+ ⅜
AEC	.32	2.7	105	12¼	11¾	11¾	— ½
AEL			378	12	11¼	11¾	+ ½
AEP			80	12¼	12	12	
AIM Tel			290	4½	3¾	3⅞	— ½
ALC Cm			1467	4⅜	3¾	4⅛	— ⅛
ARC Int			586	4½	4	4⅛	+ ⅛
ASK			6203	13¼	11¾	12¾	+ ¾
AST			6133	13¾	12¼	12⅜	— ½
AT&E			2206	15½	13¾	15⅛	+1⅜
ATE			123	5⅝	5¼	5⅝	+ ⅛
AW A			1022	4½	4	4⅜	
AarnRt			1277	19¾	19½	19½	+ ¼
Abrams	.24	3.8	5	6¾	6½	6¼	— ½
AcaJoe			1290	3¾	3¼	3¼	
Acadin			2943	3⅜	2⅞	3⅜	+ ½
Aceirtn			1331	11¼	9⅞	11	— ⅛
AcuRay	.28	1.5	535	19	18	18½	— ¼
Aceto	.14r	.7	52	18¾	18¼	18¾	+ ½
ACMAT			185	13½	12½	13½	+1¼
Actvsn			4040	1¼	1	1¼	
Actmed			388	26¼	25¼	26	
AdacLb			442	1½	1⅜	1½	
Adage			1469	2¾	2½	2⅝	+ ⅛
AdlsnW	.90	2.4	40	37½	36¾	36¾	— ¼
Adia s			577	14¾	13⅝	14⅛	+ ⅜
Admac			1755	6¼	3⅝	4⅜	—1⅞
AdvClr			382	6	5⅝	5⅞	
AdCpt			106	5½	4⅞	4⅞	— ⅝
AdvGen			1430	5⅞	3¾	5⅝	+ ⅞
AdvMag			427	8½	7¾	8	
AdvSem			109	10	8¼	8½	
AdvTel			1121	6⅞	6⅛	6⅝	
Aequitrn			3465	6¼	6	6	— ¼
Aegon	.36t	.8	438	46½	44	46½	+ ⅜
AerSvc			1411	3⅝	2¾	2⅞	+ ⅛
AerSvsl			302	2	1⅞	1⅞	+ ⅛
AflBcp	.25t		185	11½	10½	10⅝	— ⅜
AllBsh	.40	2.7	2656	15⅛	14¾	14¾	+ ⅛
AgncyR			2264	19¼	18½	18¾	
Agnico g			1193	18⅝	18¼	18¾	+ ¼
AldCp	.24	1.8	180	13¾	13	13¼	— ½
AirCra s			113	7⅝	7¼	7¼	— ¼
AirMd	.10e	2.2	3231	4¾	3⅝	4½	+ ¼

(Continued on next page)

Chicago Exchange Options

Figures as of close of trading Friday.

American Exchange Options

Figures as of close of trading Friday.

Total Volume: 146,337
r—Not traded. s—None offered. o—Old.

...WORK — Tim Wilkison, a ... left-hander who ... the third round in ... finished with ... right knee as he repeat... to the ground in scrat... over the No. 5 seed... a red and white b... Wilkison made ... break in the ninth game ... at 15 with a foreha... service return, then clo... and 19 minute th... at 15, hitting a sh... on the final point.

NEW YORK — Traffic a... quick matches combined ... John McEnroe out of t... Open doubles competitio...

هكذا من الأصل

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

(Continued)

Stock	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
[illegible]							

(Continued on next page)

AUSTRALIA: *With a New Budget, the Economic Belt-Tightening Begins*

(Continued from first finance page)

however, doubt that Australia's GDP will grow in 1986-87 by the 2.25 percent projected in the budget.

For instance, Phillips & Drew, a London stockbrokerage, cautioned in its assessment of the budget: "Unless or until the economic statistics begin to improve, thereby confirming that adjustment is taking place, the currency is set to remain vulnerable to the skepticism of the international market."

Mr. Keating said the government had resisted pressure from the financial markets for a more austere budget, which he contended would completely stifle economic growth.

"The sensible thing to do with Australia is adjust it, not wreck it," he added.

But he acknowledged that the economic judgments of the capital markets mainly determined the value of the Australian dollar, which in turn has a major impact on domestic interest rates.

Because of unfavorable reaction from the markets to the budget, Australia's Reserve Bank has been maintaining a tight monetary policy to support the Australian dollar, and on Friday, some banks raised short-term commercial interest rates to their prime corporate customers by 1 percentage point to 19 percent.

Mr. Keating said that pushing interest rates down was a key element in the government's plan to reform and revive the economy. He said the cuts contained in the budget would reduce the amount of public-sector borrowing and leave "a lot of room for a fall in interest rates, which should underpin expansion of import-competing industry."

"Depreciation is changing the import-export mix," Mr. Keating said. "And we are cutting the inflationary surges coming off the depreciation out of wages. The total strategy is to rebalance the Australian economy, reducing this tremendous dependency on agriculture and minerals."

But this strategy needs time, he added, "and that's what is being denied to us by the foreign-exchange markets."

Mr. Keating said he believed that some of the recent sharp downward movements in the value of the Australian dollar had been "irrational" or caused by speculators, among them corporate treasurers and businessmen involved in export-import trade. Since July 1 alone, the value of the Australian currency has fallen from 67 U.S. cents to 60.5 U.S. cents on Friday.

However, neither Mr. Keating nor Mr. Hawke has had second thoughts about the wisdom of lifting nearly all government controls over Australia's financial sector and floating the dollar in 1983-84.

According to Mr. Keating, deregulation has helped make Australia economically competitive with the rest of the world.

Another key point of concern to foreign analysts is that the new budget projects average weekly earnings will rise by just over 6 percent in 1986-87 and that inflation will rise by about 8 percent. Both levels are substantially higher than forecasts by the Organization for Economic Cooperation and Development for other industrialized countries.

"One of the major problems retarding Australia's international competitiveness is a labor market characterized by wage rigidity, frequent recourse to arbitration and government attempts to control pay through statutory controls, rather than market forces," David Hale, chief economist of Kemper Financial Services in Chicago, wrote this month.

Mr. Hawke, a former president of the Australian Council of Trade Unions, responds angrily to this kind of criticism of Australia's centralized wage-fixing system and his government's arrangements with labor unions.

"I must say to the rest of the world that it is a bloody pity it isn't better informed about the wages policy in this country," he said.

According to Mr. Hawke, the government's accord with the unions has helped Australia achieve average economic growth of 4 percent to 5 percent in the past three years, a big decline in the number of strikes, a 5-percent drop in wages after inflation and a 7.5-percent fall in labor costs.

By comparison, he said, U.S. inflation-adjusted earnings had declined only 1 percent over that period, while Britain had experienced a 10-percent increase.

"I'm very heartened," Mr. Hawke said, "from the evidence I have from a wide range of manufacturers in Australia of their capacity now to compete against imports and to find markets that they never before contemplated they could reach."

When his Labor Party came to power in March 1983, Mr. Keating said, it inherited an overvalued dollar and large budget and current-account deficits.

The treasurer argued that the Labor government had rectified the budget imbalance, inaugurated wage restraint and restored Australia's international economic competitiveness.

"What we need now," he said, "is time to turn around the current-account deficit."

Mutual Funds

Figures as of close of trading Friday

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc. are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

Fund	Bid	Ask
[illegible]		

NL— No initial sales load. f—Previous day's quote. r—Redemption charge may apply. x—Ex dividend.

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REPUBLIC OF UGANDA
NOTICE OF PREQUALIFICATION
KAMPALA - JINJA ROAD - SECTION TWO
KM 24 to KM 72 APPROX.
CONT. No. 523 (R)

1. Finance

The Republic of Uganda has applied for, from the African Development Fund (ADF) in various currencies, a Loan towards the cost of the Rehabilitation/strengthening of the above Road and intends to apply the proceeds of this Loan to eligible payments under the contract to which this preliminary information applies.

2. Eligibility

2.1 Construction firms from Participant Status and Member countries of the ADF are invited to be prequalified to participate in the bidding for this work. Applications for prequalification will be considered only from principals who are prepared to undertake full responsibility for carrying out the work. Joint ventures or consortia of two or more firms are required to submit prequalification data as requested in the prequalification document for each of the member firms, together with an affidavit signed by all parties of the proposed joint venture or consortium declaring their intent to form a partnership.

2.2 In addition the applicant must demonstrate:

a. Previous experience in road work of similar nature and magnitude to that described below.

b. An average annual turn over in road construction over the past three years of not less than US$15 million.

c. The successful completion during the last three years of a single roadworks contract of not less than US$10 million.

3. Scope of Project

The works comprises rehabilitation/strengthening of the road and will include

I. Construction of Lime stabilised base course 320 mm - 350 mm thick.

II. Patching and repairs to pavement where rehabilitation-/strengthening is not required.

III. Repair and reinstatement of side drains and cross culverts.

IV. Wearing course 50 mm thick asphalt concrete for the full length of road.

4. Prequalification Document

Prequalification Document containing preliminary information concerning the project and prequalification form for Contractors is available against a non-refundable payment of Uganda shillings 100,000/- or US$20.00 from

The Permanent Secretary
Ministry of Works
P.O. Box 10
Entebbe, Uganda
Telex: 61313 WORKS

Prequalification document will be available from 1st September 1986.

5. Closing Date

The complete Prequalification Document should be sent or delivered to the Permanent Secretary, Ministry of Works, P.O. Box 10 Entebbe to arrive in his office NOT LATER THAN 16.00 Hrs on 15th October 1986.

6. Tender Documents

Tender Documents will be issued only to Contractors who respond to this notice and can satisfy the prequalification requirements of the Republic of Uganda.

SPORTS

Peter Southwick/The Associated Press

Clemens: "I'm glad it's behind me. I want to get September going."

Clemens First 20-Game Winner of Year

Compiled by Our Staff From Dispatches

BOSTON — Roger Clemens became the first 20-game winner in the major leagues this season Saturday, and Boston's first since 1978 — and then trained his sights on September.

"Twenty is a good mark to get to, but we're in a pennant race," Clemens said, after allowing four hits and striking out 11 in a 7-3 Red Sox victory over Cleveland. "I'm happy, but I'm glad it's behind me," said the 24-year-old right-hander. "I want to get September going."

Clemens (20-4), said he "threw the ball extremely well" as Boston retained a 3½-game lead over Toronto in the American League East. "This will be nice to look back on," he said, "but now I have to think of the next time out."

Clemens threw only 102 pitches, including 75 for strikes, before aggravating a blister on his thumb. He is the first Boston pitcher to win 20 games since Dennis Eckersley did it eight years ago.

Blue Jays 8, Twins 1: In Toronto, Manny Lee went 3-for-4 and drove in three runs to lead the Blue Jays to their seventh straight victory.

Mariners 1, Yankees 0; Yankees 3, Mariners 0: In Seattle, Billy Swift had a no-hitter through 7⅔ innings and Jim Presley singled home a run in the eighth to lift Seattle in the opener. Don Mattingly's fourth-inning homer got New York started in the nightcap.

Orioles 5, A's 4: In Oakland, California, Odell Jones pitched 4⅓ innings of shutout relief to help Baltimore end a seven-game skid.

Rangers 6, White Sox 2: In Chicago, Pete O'Brien and Ruben Sierra hit two-run home runs to help Texas past the White Sox.

SATURDAY BASEBALL

Royals 10, Brewers 1: In Kansas City, Missouri, Frank White drove in three runs in the first two innings to start the rout of Milwaukee.

Angels 5, Tigers 4: In Anaheim, California, Doug DeCinces hit a two-run homer with one out in the ninth to give California its sixth straight victory.

Mets 6, Dodgers 3: In the National League, in New York, Rick Aguilera pitched a seven-hitter and hit a tie-breaking two-run single for the Mets.

Cardinals 5, Reds 2: In St. Louis, Tim Conroy pitched no-hit ball through seven innings to lead the Cardinals past Cincinnati. Conroy lost his no-hitter when Bo Diaz lined a double off the glove of left fielder Vince Coleman to open the eighth.

Braves 4, Cubs 3: In Atlanta, a bases-loaded walk to Ken Oberkfell and a checked-swing infield hit by Dale Murphy drove in the decisive runs in the seventh.

Phillies 5, Giants 3: In Philadelphia, Mike Schmidt hit a two-run homer to back the six-hit pitching of winner Don Carman.

Expos 10, Padres 1; Padres 5, Expos 4: In Montreal, Garry Templeton drove in three runs, including the game-winner in the ninth, as San Diego salvaged a doubleheader split. In the opener, Bryn Smith doubled home three runs and pitched his first complete game of the season.

Pirates 13, Astros 3: In Houston, Jim Morrison drove in three runs to pace Pittsburgh's rout. *(UPI, AP)*

Cruz, Scott Spark Astro Victory

Compiled by Our Staff From Dispatches

HOUSTON — After one of the poorest starts of his career, José Cruz is back in top form just in time for the Houston Astros' stretch run for the National League West title.

"José is really picking us up now. He's starting to drive the ball and get the key hits like he has throughout his career," said Houston's manager, Hal Lanier, after Cruz's two-run single in the sixth inning sparked a 3-2 victory Friday over the Pittsburgh Pirates.

Mike Scott struck out six to increase major league-leading total to 241. In his 7⅓ innings, Scott gave up six hits and one earned run, lowered his ERA — also tops in the majors — to 2.24. It was his eighth victory in his last 11 decisions.

Reds 2, Cardinals 0: In St. Louis, Bill Gullickson pitched a three-hitter, turning in his second shutout and fifth complete game of the year.

Mets 2, Dodgers 1: In New York, run-scoring singles by Keith Hernandez and Mookie Wilson backed Bob Ojeda's five-hit pitching.

Phillies 6, Giants 4: In Philadelphia, Von Hayes had three hits and rove in two runs to boosting the Phillies. Hayes singled, doubled, tripled and walked before flying out flying out to the warning track.

Cubs 7, Braves 3: In Atlanta, Bob Dernier hit a three-run homer to highlight a five-run fifth that lifted Chicago.

Yankees 13, Mariners 12: In the American League, in Seattle, Juan Espino doubled home Dave Winfield from second base with two outs in the ninth to edge the Mariners. New York wasted a 5-0 lead, as Bob Kearney hit two home runs and helped Seattle to a 12-5 lead, but Rickey Henderson hit his second homer of the night in a six-run Yankee fifth and Dan Pasqua tied the game by homering in the seventh.

Blue Jays 6, Twins 5: In Toronto, Tony Fernandez scored on Jesse Barfield's grounder with one out in the ninth to give the Blue Jays their triumph.

Indians 7, Red Sox 3: In Boston, Joe Carter hit three home runs in a 5-for-5 performance and drove in four runs in support of Tom Candiotti's six-hitter as Cleveland ended a three-game losing streak.

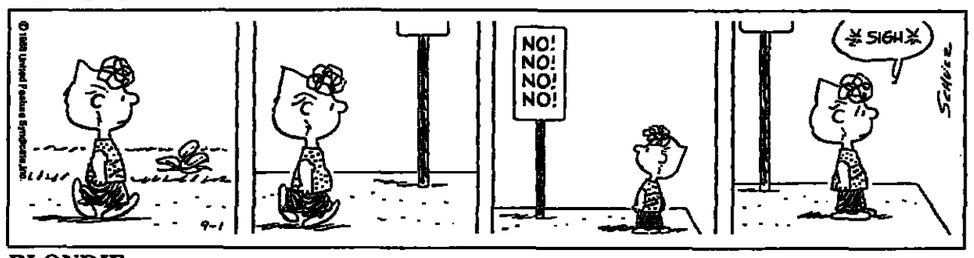
Rangers 5, White Sox 2: In Chicago, Geno Petralli had the only hit (a two-run single) in a four-run fifth that got Texas past the White Sox.

Brewers 3, Royals 1: In Kansas City, Missouri, Ted Higuera set a single-season Milwaukee strikeout record, fanning six and increasing his total to 173.

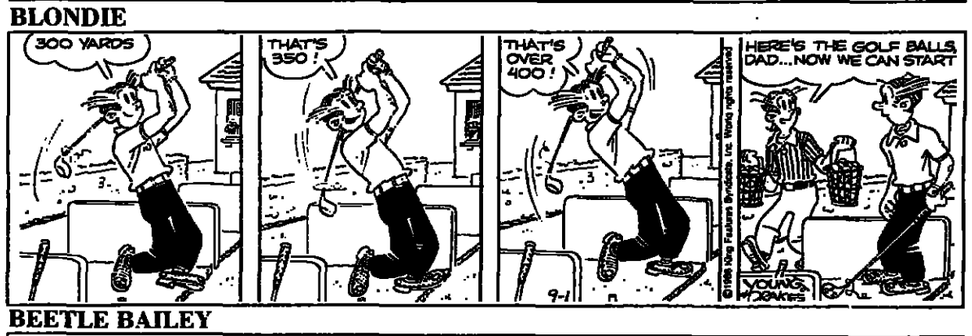
Angels 13, Tigers 12: In Anaheim, California, Dick Schofield's two-out grand-slam home run in his second time at bat in the ninth capped an eight-run inning that put California past Detroit.

A's 4, Orioles 3; A's 4, Orioles 0: In Oakland, California, Mike Davis hit two homers and scored three times to pace the A's in the opener. Dave Stewart pitched a six-hitter for his first major-league shutout to complete Oakland's second doubleheader sweep of Baltimore in as many days. *(UPI, AP)*

PEANUTS

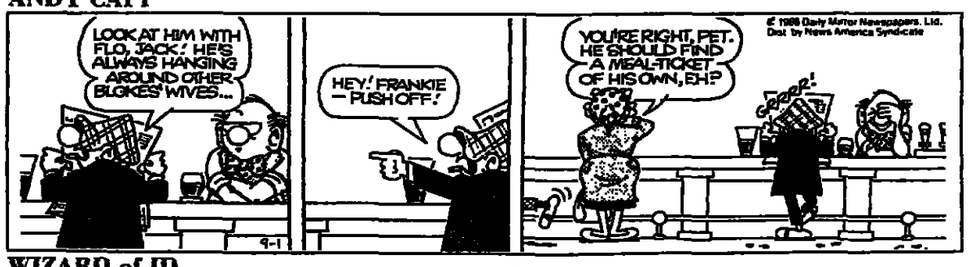


BLONDIE

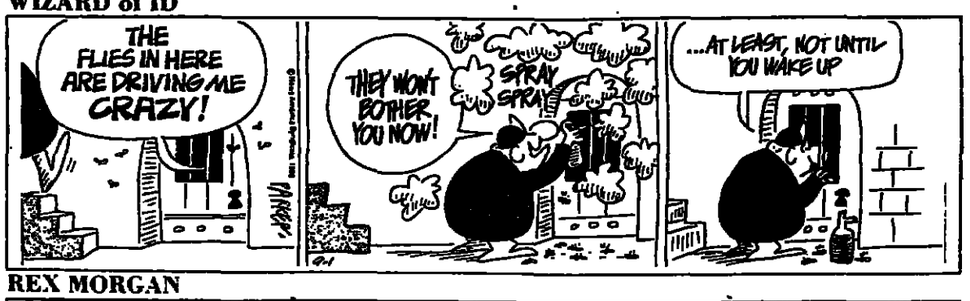


BEETLE BAILEY

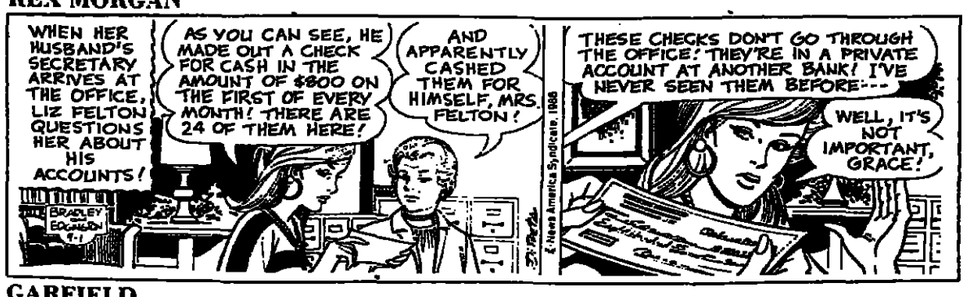
ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD

DENNIS THE MENACE

"DOES GOD KNOW HE LEFT THE WATER RUNNING?"

JUMBLE. THAT SCRAMBLED WORD GAME

by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

KANOE

GREME

LASTOP

ENMURB

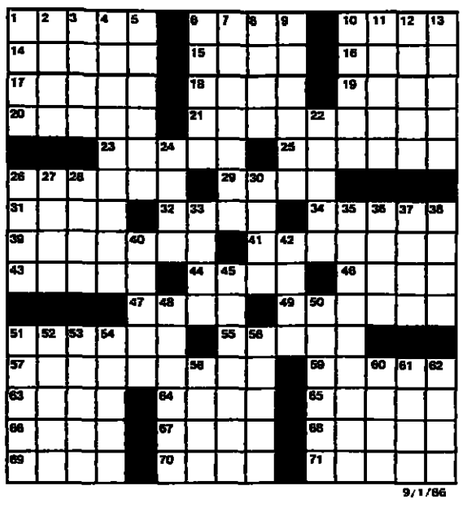
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: ( ) ( ) ( ) ( ) ( ) ( )

(Answers tomorrow)

Friday's Jumbles: BRAVE LOWLY GADFLY HUNTER

Answer: That windbag was always getting carried away by the sound of his own voice, but never this— FAR ENOUGH



9/1/86

ACROSS

1 Meager
6 Cupid
10 "The Jolly Toper" painter
14 Birchbark
15 Mother of Pollux and Castor
16 Theaters for Euripides
17 *Love, Italian* style
18 Imitator
19 Notarial tool
20 Half of a fifth
21 New England
23 Pays attention
25 Lots of lots
26 You asked for it
29 Ogler
31 Similar
32 Adriatic resort
34 Hollywood plum
39 Inflated talk
41 Columbus, e.g.
43 Defense pact of 1954
44 Junk item, sometimes
46 "Mila 18" author
47 River to the Caspian
49 Quiescent
51 Lorraine's partner
55 Corgi cord
57 Cattle country
59 "Sans ——, sans eyes . . .": Shak.
63 Certain Egyptian
64 Pro —— (proportionally)
65 Diameter parts
66 Gumbo
67 P.D.Q.
68 Wickerwork willow
69 Ivan IV, e.g.
70 The elder Dumas
71 Cubic meter

DOWN

1 Begone!
2 Arrived
3 Oft-quoted auth.
4 Bighorn country
5 Giggle
6 Antelope, with a twist
7 Basked, perhaps
8 River to the Baltic
9 Nobel Prize decliner: 1964
10 Old Testament book
11 TV's "Let's Make ——"
12 Minimum
13 Like sea water
22 Egret's cousin
24 Perry Mason's Gardner
26 Vestments
27 Shade of green
28 Sea bird
30 Berra of baseball
33 La Douce
35 Dixie
36 Parrot part
37 "It's —— to Tell a Lie"
38 Take five
40 —— and go
42 Fitzgerald or Raines
45 Best of the best
48 Prepare for the freezer
50 Houston team
51 Neckwear
52 Glances
53 Above: Prefix
54 Rose essence
56 Encampment
58 Let up
60 Entertainer Adams
61 Layer
62 Employ

© *New York Times, edited by Eugene Maleska.*

Solution to Friday's Puzzle

B	E	A	M	■	P	A	S	O	■	S	T	R	A	M
O	R	L	E	■	I	T	E	M	■	A	H	O	M	E
G	L	A	D	■	S	T	A	N	■	S	A	T	I	N
■	E	N	I	G	M	A	T	I	C	S	M	I	L	E
■	■	■	C	R	O	C	■	■	A	Y	E	■	■	■
R	O	S	I	E	■	H	E	A	D	■	S	M	O	G
A	L	O	N	E	■	■	A	L	E	G	■	I	D	A
M	I	X	E	D	V	E	G	E	T	A	B	L	E	S
O	V	E	■	Y	A	L	E	■	■	D	A	N	T	E
S	E	R	A	■	L	A	R	K	■	G	L	E	S	S
■	■	■	T	R	I	■	■	E	V	E	L	■	■	■
M	A	S	H	E	D	P	O	T	A	T	O	E	S	■
A	R	I	E	S	■	A	W	O	L	■	O	V	I	D
M	A	N	N	E	■	R	E	N	E	■	N	I	L	E
A	T	E	S	T	■	A	N	E	T	■	S	L	O	W

8/30/86

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	25	77	21	70	c
Amsterdam	15	59	11	52	fr
Athens	33	91	24	75	fr
Barcelona	22	72	17	63	c
Belgrade	19	66	9	48	cl
Berlin	15	59	11	52	c
Brussels	14	57	10	50	cl
Bucharest	25	77	11	52	fr
Budapest	20	68	8	46	fr
Copenhagen	16	61	9	48	sh
Costa Del Sol	26	79	21	70	c
Dublin	14	57	4	39	c
Edinburgh	12	54	4	39	c
Florence	28	79	11	52	sh
Frankfurt	16	61	10	50	sh
Geneva	18	64	5	41	fr
Helsinki	13	55	9	48	c
Istanbul	25	77	21	70	fr
Las Palmas	25	77	21	70	fr
Lisbon	28	82	18	64	c
London	17	63	9	48	cl
Madrid	18	64	17	63	cl
Milan	23	73	17	63	fr
Moscow	23	73	13	55	fr
Munich	24	57	6	43	cl
Nice	21	70	14	57	cl
Oslo	17	63	7	45	fr
Paris	16	61	9	48	cl
Prague	14	57	7	45	cl
Reykjavik	—	—	—	—	—
Rome	26	79	11	52	fr
Stockholm	9	48	7	45	sh
Strasbourg	15	59	6	43	c
Venice	23	73	10	50	fr
Vienna	20	68	11	52	fr
Warsaw	15	59	11	52	cl
Zurich	15	59	9	48	c

MIDDLE EAST					
Ankara	34	93	16	61	fr
Beirut	—	—	—	—	na
Damascus	—	—	—	—	na
Jerusalem	33	91	18	64	fr
Tel Aviv	33	91	19	66	fr

OCEANIA					
Auckland	13	55	6	43	fr
Sydney	18	64	10	50	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	33	91	26	79	c
Beijing	31	88	20	68	fr
Hong Kong	31	88	28	82	c
Manila	32	90	28	82	c
New Delhi	36	97	27	81	fr
Seoul	29	84	22	72	fr
Shanghai	32	90	23	73	fr
Singapore	28	82	26	79	c
Taipei	31	88	28	82	cl
Tokyo	30	86	27	81	cl

AFRICA					
Algiers	26	79	22	72	sh
Cairo	38	100	23	73	c
Cape Town	13	55	9	48	fr
Casablanca	24	75	17	63	fr
Harare	27	81	15	59	fr
Lagos	32	81	24	75	c
Nairobi	24	75	8	46	c
Tunis	32	90	22	72	fr

LATIN AMERICA					
Buenos Aires	—	—	—	—	—
Caracas	28	82	20	68	cl
Lima	18	64	16	61	cl
Mexico City	24	75	12	54	c
Rio de Janeiro	24	75	19	66	c

NORTH AMERICA					
Anchorage	14	57	9	48	sh
Atlanta	22	83	22	72	t
Boston	22	72	11	52	fr
Chicago	24	79	19	66	fr
Denver	30	86	14	57	fr
Detroit	26	79	11	52	fr
Honolulu	32	90	25	77	fr
Houston	31	88	14	57	fr
Los Angeles	29	84	18	64	fr
Miami	32	90	26	79	fr
Minneapolis	28	82	16	61	fr
Montreal	23	73	16	61	fr
Nassau	33	91	26	79	sh
New York	26	79	15	59	fr
San Francisco	24	75	14	57	fr
Seattle	22	72	14	57	fr
Toronto	22	72	7	45	fr
Washington	24	75	13	55	fr

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Slight. FRANKFURT: Rain. Temp. 16 — 10 (61 — 50). LONDON: Rain. Temp. 15 — 10 (59 — 50). MADRID: Thunderstorms. Temp. 22 — 17 (72 — 63). NEW YORK: Fair. Temp. 27 — 17 (81 — 63). PARIS: Cloudy. Temp. 17 — 6 (63 — 43). ROME: Fair. Temp. 25 — 12 (77 — 54). TEL AVIV: N.A. ZURICH: Fair. Temp. 22 — 9 (68 — 48). BANGKOK: Thunderstorms. Temp. 33 — 26 (91 — 79). HONG KONG: Fair. Temp. 32 — 27 (90 — 81). MANILA: Thunderstorms. Temp. 30 — 28 (86 — 82). SEOUL: Foggy. Temp. 28 — 19 (82 — 66). SINGAPORE: Thunderstorms. Temp. 31 — 25 (88 — 77). TOKYO: Foggy. Temp. 31 — 25 (88 — 77).

BOOKS

END PAPERS: Essays, Letters, Articles of Faith, Workbook Notes

By Breyten Breytenbach. 269 pages. $16.95. Farrar, Straus & Giroux, 19 Union Square West, New York, N. Y. 10003.

Reviewed by Vincent Crapanzano

BREYTEN BREYTENBACH is a South African poet, painter and political activist. An Afrikaner by birth (though he refuses to be identified with the Afrikaners because of the political implications of such an identification), Breytenbach committed, in his people's eyes, the unpardonable crime: He sought to overthrow, violently if necessary, the South African government and the monstrous edifice of apartheid it had constructed.

Breytenbach was arrested, tried, and imprisoned for seven years — two in solitary confinement — before he was released in 1982. (He has described these years of imprisonment in two books, "Mouroir" and "The Confessions of an Albino Terrorist.") The miscellaneous writings collected in "End Papers" were written before and after his imprisonment. They address dissidence, exile, imprisonment, the responsibility of the writer, political commitment, the artifice of culture, and, above all, South Africa and its apartheid. Although some essays are about travel (Palermo, Los Angeles and Berlin), and others about writers (Jorge Luis Borges) and cultural events (Pina Bausch's Wuppertal Tanztheater), they are also confined by Breytenbach's experience of South Africa.

"South Africa is a symbol. South Africa is a reality," Breytenbach writes. "These two truths are intimately linked, as are the mirror and memory, and both operate simultaneously." Like other white South Africans — those who think, at any rate — Breytenbach is caught between the symbol and reality, between the mirror and memory. Writing is a form of combat, he says. He is morally outraged. He decries the inhumanity of apartheid.

But these positions do not give him a secure vantage point. His vision is fractured. "Can any of us see South Africa whole?," he asks, and he answers no. "We are institutionally (historically?) incapacitated. And we have to accept the maiming, the limitation." He refuses the easy — the European — vantage point, adopted, despite their anguish, by such writers as Nadine Gordimer and J. M. Coetzee. He writes letters to, and converses with, figures who seem to be his critical alter ego. He asks: What happens if the Other — the Odder — is the I?

This question cannot be answered — certainly not in a society as divided as South Africa. Given the existential and political separation legislated by apartheid, the self's other remains always wooden, opaque, mechanical, of mythological proportion. In such a world, Breytenbach never tires of telling us, there can be no real cultural creativity. "Nearly all South African writing reflects varying stages of exile and alienation." (Breytenbach's own exile in France becomes a metaphor for the South African writer's condition.) Exile cuts the writer from that close and continuous contact with his people that keeps him alert and his language alive.

The real language of the writer consists of two components:
the sounds that disturb him from within, that push from inside
— and the people who speak his language. Language is
people. When you are deprived of one of these it is as if
you have only one leg, which keeps getting weaker because
you use it too much.

Such a position is particularly painful for a writer like Breytenbach who considers the distance we create between the writer and his public an artifact of Western culture.

The exile is marginal. He is lonely and awkward. Like the prisoner, he has to depend upon his own resources, and he risks inventing a self that can have no contact with those with whom he wishes to communicate.

In the slammer you invented a you in order to make life bearable,
to breastplate yourself with a certain dignity. Outside you will
invent yourself as a re-creation, a reincarnation. The invention
will no longer be a go-between but an aperture, a cycle of hope,
a verse embodied with stresses.

Transitions are particularly difficult. After seven years in prison, Breytenbach finds the world he returns to "becoming greyer, smoother, less textured." All over the world, he observes in a grand cliché, you can stay in identical, air-conditioned rooms, eating the same "continental" breakfast and finding on the same concave screen "not a glimmer of difference between the ad and assassination." All is image. You have to go to the Third World, he says, forgetting that the same hotels exist there (or are longed for) "to meet stench and crying and color and the laughter of people laughing in the pre-air-conditioned-period way."

There is something deeply troubling about Breytenbach's writing. There is a bit too much of him in it all. One is tempted to read "End Papers" as symptom rather than as message. Maimed by his people, by his imprisonment, his exile, by all the injustices he sees around him, he indulges his pain. He gives way to an intolerance, an impatience, a rebelliousness, a violence, that lacks humanity.

Vincent Crapanzano, whose most recent book is "Waiting: The Whites of South Africa," wrote this review for the Los Angeles Times.

BRIDGE

By Alan Truscott

THE American Bridge Association's tournament in Los Angeles saw Dan Requard and Joan Williams win the open pairs title. Requard sat East, with Ms. Williams West, on the diagramed deal from the knockout final.

North's raise to two hearts promised four-card support and encouraged South to take a shot at game. West led a diamond, and when East captured the jack with the king, he shifted to a club, won with the ace.

South now faced difficult problems and failed to solve them. Even with all four hands in view, it is not obvious whether four hearts can be made. It can, if South concentrates on ruffs and does not attempt to draw trumps. He can obviously take four tricks in the black suits and cannot be prevented from scoring six of his trumps.

The play can go: trick 3, spade to queen; 4, spade ace; 5, spade ruff; 6 club king; 7 club jack, ruff and overruff; 8, spade ruff. The ending is:

NORTH
♠ —
♡ Q 10 8
◇ Q 5
♣ —

WEST
♠ K
♡ A K
◇ 9 7
♣ —

EAST
♠ —
♡ 5 3
◇ A 10 6
♣ —

SOUTH
♠ —
♡ J 9
◇ —
♣ 9 8 5

South leads a club, and cannot be prevented from taking three more tricks. If South had found this line, and brought home the game, he would have won the title for his team. In the replay, North-South were content to play a part-score.

NORTH
♠ A Q 7 4
♡ Q 10 8 5
◇ Q J 5 3
♣ 4

WEST
♠ K J 9 6 3
♡ A K 4
◇ 8 7 4
♣ Q 6

EAST
♠ 10 8 5
♡ 5 3
◇ A K 10 6 2
♣ 10 7 2

SOUTH
♠ 2
♡ J 9 7 2
◇ 6
♣ A K J 9 8 5 3

Both sides were vulnerable. The bidding:

North	East	South	West
1 ♢	Pass	1 ♡	1 ♠
2 ♡	2 ♠	4 ♡	Pass
Pass	Pass		

West led the diamond four.

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هكذا من الأصل

SPORTS

Russians Set Two World Records at European Meet

Compiled by Our Staff From Dispatches

STUTTGART — Hammer thrower Yuri Sedykh and hurdler Marina Stepanova, both of the Soviet Union, set world records Saturday at the European track and field championships.

Sedykh bettered his own record with an effort of 284 feet, 7 inches (86.58 meters), on his fourth attempt at Neckar Stadium.

Sedykh trailed compatriot Sergei Litvinov, who had led from the first round, before breaking the record of 284-4 he had set in Cork, Ireland, on June 22. Sedykh led a 1-2-3 Soviet sweep, Litvinov taking second at 281-3 and Igor Nikulin third at 269-0.

Stepanova ran the women's 400-meter hurdles in 53.32 seconds to upset Sabine Busch of East Germany. Busch held the record (a 53.56 clocked in Berlin last September) and had posted the event's fastest time this year. She was favored in the final and led in the early going, but tired over the last two hurdles and finished second in 53.60.

"My start was not too good, and I didn't take the first hurdles too well," said Stepanova. "In the end, I had more in reserve than Sabine. If there had been no wind, I believe we could have been the first runners under 53 seconds."

On Sunday, the final day of the championships, Steve Cram beat fellow Briton Sebastian Coe to win 1,500-meter fianls. With about 300 meters to go, Cram kicked into a sustained sprint and avenged his defeat by Coe in the 800 meters earlier in the competition.

Cram clocked 3:41.09. Coe, the two-time Olympic champion at the distance, settled for the silver with a time of 3:41.67.

"I was very, very determined to win after the disappointment in the 800," said Cram. "Maybe this proves that Seb is best in the 800 and that I am really a 1,500-meter runner, but I didn't want to go home without a win."

Ravilya Agletdinova took the women's 1,500 in 4:01.19, beating Soviet compatriot Tatyana Samoilenko (4:02.36).

Igor Paklin of the Soviet Union won the men's high jump by clearing 7 feet, 8 inches. Paklin, whose world record is 7-10¾, failed in three attempts at 7-9¾. Another Russian, Sergei Maltchenko, won the silver medal, clearing 7-7. Carlo Thraenhardt of West Germany also jumped 7-7, but wound up third on more misses.

East Germany won the women's 400-meter relay in 41.84, the best time in the world this year. But the team of Silke Gladisch, Sabine Günther-Rieger, Ingrid Auerswald and Marlies Göhr was short of its world record of 41.37. Bulgaria, anchored by 100-meter high hurdles champion Yordanka Donkova, finished second in 42.68.

The Soviet team took the gold in the men's 400 relay, clocking 38.29 — .03 outside its European record. East Germany won the silver in 38.64.

Jack Buckner of Britain won the 5,000 meters, beating 10,000-meter champion Stefano Mei of Italy in the finishing strides. Buckner clocked 13:10.15, while Mei was timed 13:11.57.

Romas Ubarats won the 11th gold medal for the Soviet Union, taking the discus with a throw of 220-1. Russians also finished second and third, Georgi Kolnoochenko the runner-up at 219-10 and Vaclov Kidikas the bronze medalist at 217-7.

In other action Saturday, little known Gelindo Bordin won the men's marathon. Bordin, a 27-year-old, clocked 2:10:54 to beat fellow Italian Orlando Pizzolato, one of the favorites, by three seconds.

The two were in front at 19 miles after the early leader, Steve Jones of Wales, tired and fell well back. "I kept asking myself, 'Is it true, or am I dreaming?'" Bordin said.

As the leaders entered the stadium to a huge roar from the crowd, Pizzolato briefly moved ahead. But Bordin quickly regained the lead and crossed the line about five meters in front.

Bordin, who had run only five previous marathons, was so excited that he did not know the race was over. "I did not see where the finish line was," he said. "I kept on running until I realized from the noise of the crowd that I had won."

In the final of the men's 110-meter high hurdles, Stephane Caristan won France's first gold medal of the championships in a world-best time this year of 13.20, which also set a European record. Arto Bryggare of Finland took the silver medal in 13.42.

Anke Behmer of East Germany won the heptathlon by producing a strong run in the final event, the 800 meters. Judy Simpson of Britain had led from the opening event, but could place only fourth in the 800 meters and was pushed back to third place, behind Natalia Schubenkowa of the Soviet Union.

Ingrid Kristiansen of Norway won the championships' inaugural women's 10,000 meters impressively. She had lapped half the field by the 5,000-meter mark and won in 30:23.25.

Although that was almost 10 seconds outside her world record, Kristiansen never was threatened.

Fatima Whitbread of Britain won the women's javelin Friday night with a throw of 250 feet, 5 inches, short of the world record of 254-1 she set during Thursday's qualifying. Whitbread won on her sixth and final throw — just as a driving rain stopped.

Sergei Bubka of the Soviet Union won the pole vault at 19-2¼ but missed three tries at a world-record 19-10¼.

Bubka entered the vault competition at 18-8¼ and almost went out at that height; competing in the rain, he did not clear it until his third try. He then seemed to gain confidence, clearing 19-2¼ with ease and then trying to break his world mark of 19-8½. But his three attempts were not close. His brother Vasily placed second at 18-10¼ because of fewer misses than Philippe Collet of France.

Donkova won the women's 100-meter high hurdles in 12.38, just off her world-record 12.29. East German Cornelia Oschkenat was second in 12.55.

Other men's winners on Friday were Briton Roger Black, the 400 meters, in 44.59; Vladimir Krylov, Soviet Union, the 200 in 20.52, and Hagen Melzer, East Germany, the 3,000-meter steeplechase in 8:16.65. *(AP, UPI)*

Thomas Kienzle/The Associated Press

Marina Stepanova, left, edging past Sabine Busch in the women's 400-meter hurdles final.

Nick Didlick/Reuters

Hammer thrower Yuri Sedykh, breaking his own world record and leading a Soviet sweep.

Wilkison Upsets Noah; Top Seeds Advance

Compiled by Our Staff From Dispatches

U.S. OPEN TENNIS

NEW YORK — Tim Wilkison, gutsy and aggresive, came up with the biggest victory of his career Saturday when he upset Yannick Noah in five sets to gain the fourth round of the U.S. Open tennis championships, along with top seeds Ivan Lendl and Martina Navratilova.

The unseeded Wilkison, a 26-year-old left-hander who never made it past the third round in nine previous opens, finished with a bloodied right knee as he repeatedly crashed to the ground in scratching out a 7-6 (12-10), 3-6, 4-6, 6-1, 6-4 victory over the No. 5 seed.

Wearing a red and white baseball-style cap, Wilkison made the decisive break in the ninth game of the final set at 15 with a forehand pass off service return, then closed out the 3 hour and 19 minute thriller by holding at 15, hitting a sharp overhead on the final point.

The tie-breaker set the tone for the Wilkison-Noah match. Wilkison jumped ahead by 5-0 and 6-2, but still needed seven set points before he could put the Frenchman away.

Noah regained control by winning the next two sets, only to see Wilkison fight back and to eventual victory. Although Wilkison had 10 double faults to one for Noah, he was charged with only five unforced errors.

The fourth set was all Wilkison. He broke immediately in a game that left Noah angrily jawing with the chair umpire and he broke again two games later when he ran down a Noah drop shot. Noah, trying to reach the ball, jumped the net. Wilkison responded by jumping the net himself. Then the two shook hands and switched sides again.

Finally, Wilkison hit the shot of the tournament, a cross-court forehand as he was running into the side-court fence. When the ball tipped by him, Noah just stopped and applauded.

"It's always difficult to be out of the open," Noah said, "but I think Tim deserved that. He's been working hard and he's a great guy."

"This is just fantastic," said Wilkison, who has been given the nickname "Doctor Dirt" because of his style of play. "I'm playing the best I've ever played. I don't want to stop."

Lendl and Navratilova enjoyed pleasant workouts in warm sunshine to reach the fourth round.

The defending men's champion had to fight from behind in the third set before beating Jonas Svensson of Sweden, 6-3, 6-3, 6-4. Navratilova, not quite as sharp as usual, defeated Kathy Horvath, 6-4, 6-2, although she saw her serve broken twice in the opening set.

No. 3 seed Steffi Graf, meanwhile, continued to have things going too easy as she claimed a 6-1, 1-0 victory over Beverly Bowes, who was forced to retire because of a viral infection. Graf has yielded a single game in each of her three matches, and has been on court for less than two hours. Said Graf: "I want a tougher match."

By contrast, fourth-seeded Stefan Edberg struggled before subduing Ramesh Krishnan, 7-6 (7-5), 3-6, 6-4, 4-6, 6-4. After the two exchanged breaks in the fourth and fifth games of the final set, Edberg ended the 3-hour, 24-minute marathon with a break in the 10th game with a crushing overhand that bounced 10 rows deep into the stands.

Eighth seed Henri Leconte, a semifinalist at both the French Open and Wimbledon, won his third-rounder over Amos Mansdorf, 4-6, 6-3, 7-5, 6-2.

Among the seeded women gaining the fourth round, only No. 5 Pam Shriver and No. 8 Bonnie Gadusek were forced to three sets. Shriver defeated Elise Burgin, 6-4, 5-7, 6-2, while Gadusek overcame Helen Kelesi, 6-7 (4-7), 6-2, 6-2. Also advancing were No. 11 Gabriela Sabatini, No. 13 Stephanie Rehe and No. 15 Kathy Jordan. Sabatini beat Katerina Maleeva, 7-5, 6-2, Rehe eliminated Annabel Croft, 6-2, 6-3, and Jordan defeated Elizabeth Minter, 6-1, 6-3.

Lendl, who has lost only one of his last 31 sets at the open, was in danger of dropping the third set when Svensson broke him in the sixth game. But he broke back immediately at love and followed with the decisive break in the ninth game at 15.

Navratilova was a litle shaky in the opening set against Horvath, but tightened up in the second and swept the final four games with the loss of five points, winding up the match in exactly an hour.

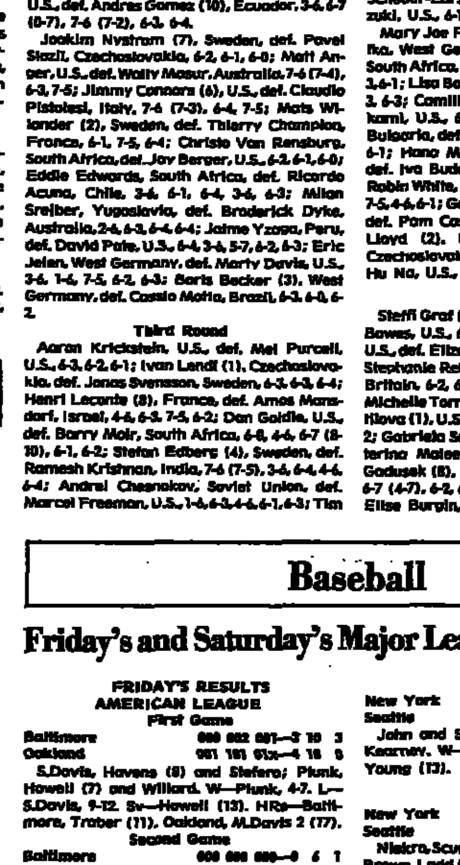
On Friday, Chris Evert Lloyd and Jimmy Connors, holders of 11 U.S. open titles between them, advanced to the third round with straight-sets victories. Evert brushed aside Regina Marsikova, 6-0, 6-0, in 35 minutes, but Connors had a battle before subduing Italian teen-ager Claudio Pistolesi, 7-6 (7-3), 6-4, 7-5.

In other second-rounders, No. 2 seed Mats Wilander served particularly well in beating Thierry Champion, 6-1, 7-5, 6-4, and Hana Mandlikova, the defending women's champion, quickly disposed of Iva Budarova, 6-2, 6-3. Boris Becker, seeded third, beat Cassio Motta, 6-3, 6-0, 6-2.

Tom Gullikson, a wild-card entry who turns 35 this week and plans to retire at the end of this season, produced Friday's biggest surprise by overcoming tenth-seeded Andres Gomez, 3-6, 6-7 (0-7), 7-6 (7-2), 6-3, 6-4, in 3 hours and 34 minutes.

"This is basically my last grand prix tournament," Gullikson said. "I wanted to play really well, give a good account of myself, make them proud that they gave me a wild card. I think I've done that now.

"As an American, you always want to play well at the open," he said. "I first came here in 1975 as a farm boy from Wisconsin. I was petrified. Now, I love New York. And I loved today." *(UPI, WP)*



Jerry Soloway/Reuters-UPI

Tim Wilkison

"... The best I've ever played."

McEnroe: Quick Exit No. 2

Compiled by Our Staff From Dispatches

NEW YORK — Traffic and two quick matches combined to knock John McEnroe out of the U.S. Open doubles competition Friday.

McEnroe and doubles partner Peter Fleming, driving from McEnroe's house on Long Island, were to play the day's third grandstand-court match. But the first two encounters were over quickly, and officials called for the doubles match. When McEnroe and Fleming did not appear within the 15 minutes allowed, they were defaulted. They got to the National Tennis Center seven minutes later.

Fleming said that they had lunch at McEnroe's house and called the center during the sixth game of the second set of the match preceding theirs (Miloslav Mecir defeated Guy Forget, 7-5, 6-4, 6-1) to determine its progress.

Because of the start of the Labor Day weekend, highways around New York City had been jammed since early morning. "Obviously, we left too late," said Fleming. "We got stuck in the traffic. We cut it too close. In the seven years we've played this tournament, we've done it the same way 20 times.

Under Men's International Professional Tennis Council rules, each player was fined $1,000 for defaulting the match. Americans Derek Tarr and Rick Rudeen replaced the two absentees and lost, 6-4, 6-4, to Christo Steyn and Danie Visser.

Ken Farrar, the MIPTC's chief supervisor, said McEnroe was distraught when he learned of the default. "He couldn't understand why we couldn't have waited longer," said Farrar. "He never really questioned us to reconsider. He just kept saying, 'How could you do this? Why couldn't you wait longer?' But when you bend the rules to favor a player, you're cheating the other players."

McEnroe "was very, very upset," said Farrar, tactfully. "It was sort of a nasty situation" — so much so that the MITPC fined him an additional $4,000 for verbal abuse.

McEnroe and Fleming had won the open doubles title three times. This year has been McEnroe's most difficult U.S. Open; he also lost in the first round of the singles. *(UPI, AP)*

SPORTS BRIEFS

Mexican Retains Superflyweight Title

CORDOBA, Argentina (UPI) — Gilberto Roman of Mexico, 24, the World Boxing Council superflyweight champion, retained his title Saturday in a down-to-the wire 12-round draw with Argentine challenger Santos Laciar.

Judge Angel Guzman of Puerto Rico gave each fighter 116 points. Brazilian Moises Sister saw Roman the winner, 117-116, while American Tony Perez had it Laciar, 116-112.

4 Tied for 3d-Round Lead in U.S. Golf

MEMPHIS, Tennessee (AP) — Howard Twitty missed a four-foot putt on the 18th hole Saturday to fall into a four-way tie for the lead after three rounds of the St. Jude Classic golf tournament.

Twitty's bogey gave him a 1-over-par 73 and a 5-under 211 total at the 7,282-yard (6,674-meter) Colonial Country Club course, putting him in a tie with Gary Koch, who shot a third-round 69, and Mike Hulbert and Larry Mize, who had 68s.

Payne Stewart, who began the day three strokes behind Twitty, birdied the first three holes to take the lead temporarily, but finished 71/212. Joey Sindelar, Tony Sills and Larry Nelson were at 213.

Padres Suspend Gossage Without Pay

SAN DIEGO (Combined Dispatches) — Relief pitcher Rich Gossage, 35, has been suspended by the San Diego Padres for the rest of the 1986 season without pay for criticizing the team's management.

In a prepared statement Friday, Ballard Smith, the club's president, cited Major League Rule 13, which allows owners to take disciplinary action for repeated and continuing insubordination and similar player behavior not in the best interest of the club.

The suspension will cost Gossage, who has a record of 5-7 with 21 saves and a 4.31 earned-run average (the right-hander had a $1.1 million salary). Gossage is in his third year with San Diego after spending six years with the New York Yankees.

Gossage criticized Smith in the New York newspaper Newsday last week. In the article, Gossage said Smith was more concerned with the team's image than with winning. "I'd rather have a guy like George [Steinbrenner, the Yankee owner] who wants to win every game than have the guy we have here who doesn't know anything and doesn't care," Gossage was reported as saying. "He cares more about our citizenship than winning. He wants choir boys and not winning players."

He was also quoted as saying Smith "just listens to what mom says," a reference to team owner Joan Kroc, Smith's mother-in-law. *(AP, UPI)*

SCOREBOARD

Track and Field

European Championships

MEN'S FINALS

200 Meters

1, Vladimir Krylov, Soviet Union, 20.52. 2, Juergen Evers, West Germany, 20.75. 3, Ondrej Federiw, Soviet Union, 20.84.

400 Meters

1, Roger Black, Britain, 44.59. 2, Thomas Schoenlebe, East Germany, 44.63. 3, Mathias Schersing, East Germany, 44.85.

3,000-Meter Steeplechase

1, Hagen Melzer, East Germany, 8:16.65. 2, Francesco Panetta, Italy, 8:16.85. 3, Patriz Ilg, West Germany, 8:16.92.

Long Jump

1, Robert Emmiian, Soviet Union, 27-7¼. 2, Sergei Laiewski, Soviet Union, 26-3½. 3, Giovanni Evangelisti, Italy, 26-0.

Pole Vault

1, Sergei Bubka, Soviet Union, 19-2¼. 2, Wassili Bubka, Soviet Union, 18-10¼. 3, Philippe Collet, France, 18-10¼.

110-Meter Hurdles

1, Stephane Caristan, France, 13.20. 2, Arto Bryggare, Finland, 13.42. 3, Carlos Sala, Spain, 13.50.

Marathon

1, Gelindo Bordin, Italy, 2:10:54. 2, Orlando Pizzolato, Italy, 2:10:57. 3, Herbert Steffny, West Germany, 2:11:30.

Hammer Throw

1, Yuri Sedykh, Soviet Union, 284-7 (world record; old record, 284-4, Sedykh, 1986). 2, Sergei Litvinov, Soviet Union, 281-3. 3, Igor Nikulin, Soviet Union, 269-0.

Triple Jump

1, Hristo Markov, Bulgaria, 57-11¼. 2, Maris Bruziks, Soviet Union, 56-10¼. 3, Oleg Protsenko, Soviet Union, 56-8½.

4-by-100-Meter Relay

1, Soviet Union (Alexander Yevgenev, Nikola Yushmanov, Vladimir Muravyov, Viktor Bryzgin), 38.29. 2, East Germany (Thomas Schroeder, Steffen Bringmann, Olaf Prenzler, Frank Emmelmann), 38.64. 3, Britain (Elliot Bunney, Daley Thompson, Mike McFarlane, Linford Christie).

4-by-400-Meter Relay

1, Britain (Derek Redmond, Kriss Akabusi, Brian Whittle, Roger Black), 2:59.84. 2, West Germany (Klaus Just, Edgar Itt, Harald Schmid, Ralf Luebke), 3:00.17. 3, Soviet Union (Sladimir Prossin, Vladimir Krylov, Arkadi Kornilov, Alexander Korotchkin), 3:00.47.

High Jump

1, Igor Paklin, Soviet Union, 7 feet, 8. 2, Sergey Maltschenko, Soviet Union, 7-7. 3, Carlo Thraenhardt, West Germany, 7-7.

1,500 Meters

1, Steve Cram, Britain, 3:41.09. 2, Sebastian Coe, Britain, 3:41.67. 3, Han Kulker, Netherlands, 3:42.11.

50-Kilometer Walk

1, Hartwig Gauder, East Germany, 3:40:55. 2, Vyacheslav Ivanenko, Soviet Union, 3:41:54. 3, Valeri Suntzov, Soviet Union, 3:42:38.

WOMEN'S FINALS

100-Meter Hurdles

1, Yordanka Donkova, Bulgaria, 12.38. 2, Cornelia Oschkenat, East Germany, 12.55. 3, Ginka Zagorcheva, Bulgaria, 12.70.

200 Meters

1, Heike Drechsler, East Germany, 21.71 seconds (equals world record set by Marita Koch, East Germany, 1979 and 1984, and Drechsler, 1986). 2, Christine Cazier, France, 22.32. 3, Silke Gladisch, 22.49.

Javelin

1, Fatima Whitbread, Britain, 250-5. 2, Petra Felke, East Germany, 237-11. 3, Beate Peters, West Germany, 223-3.

Heptathlon

1, Anke Behmer, East Germany, 6,717 points. 2, Natalia Schubenkowa, Soviet Union, 6,645. 3, Judy Simpson, Britain, 6,622.

400-Meter Hurdles

1, Marina Stepanova, Soviet Union, 53.32 (world record; old record, 53.56, Sabine Busch, East Germany, 1985). 2, Sabine Busch, East Germany, 53.60. 3, Cornelia Feuerbach, East Germany, 54.13.

10,000-Meter Run

1, Ingrid Kristiansen, Norway, 30:23.25. 2, Olga Bondarenko, Soviet Union, 30:57.21. 3, Ulriche Bruns, East Germany, 31:19.76.

4-by-100-Meter Relay

1, East Germany (Silke Gladisch, Sabine Günther-Rieger, Ingrid Auerswald, Marlies Goehr), 41.84. 2, Bulgaria (Ginka Sagortcheva, Anelia Nuneva, Nadezhda Georgieva, Yordanka Donkova), 42.68. 3, Soviet Union (Antonia Nastoburko, Natalia Bochina, Marina Shirova, Olga Solotereva), 42.74.

4-by-400-Meter Relay

1, East Germany (Kirsten Emmelmann, Sabine Busch, Petra Mueller, Marita Koch), 3:16.87. 2, West Germany (Gisela Kinzel, Ute Thimm, Heike Gaugel, Gaby Bussmann), 3:22.80. 3, Poland (Ewa Kasprzyk, Marzena Woldecka, Jolanta Janota, Genowefa Blaszak), 3:24.65.

1,500 Meters

1, Ravilia Agletdinova, Soviet Union, 4:01.19. 2, Tatiana Samolenko, Soviet Union, 4:02.36. 3, Doina Melinte, Romania, 4:02.44.

Football

College Scores

SOUTH

Appalachian St. 17, W. Carolina 13
Delaware St. 21, Southern U. 14
Florida 38, Georgia Southern 14
Florida St. 24, Toledo 0
Jackson St. 49, N.C. Central 37
Marshall 42, W. Virginia Tech 0
Miami (Fla.) 34, S. Carolina 14

MIDWEST

Ball St. 28, N. Illinois 10
Illinois St. 23, E. Illinois 20
Kansas St. 35, W. Illinois 7
Arkansas St. 22, S. Illinois 7
Louisiana Tech 22, Tulsa 17
Texas-El Paso 64, N. Michigan 29

FAR WEST

Air Force 24, Hawaii 17
S. Utah 27, N. Arizona 17

NFL PreSeason

FINAL STANDINGS

AMERICAN CONFERENCE

East	W	L	T	Pct.	PF	PA
New England	4	1	0	.800	102	90
Miami	2	2	0	.500	67	65
N.Y. Jets	2	2	0	.500	95	105
Buffalo	1	3	0	.250	67	79
Indianapolis	1	3	0	.250	75	95
Central						
Cleveland	4	0	0	1.000	88	70
Houston	4	0	0	1.000	81	61
Cincinnati	1	3	0	.250	71	90
Pittsburgh	1	3	0	.250	81	105
West						
San Diego	3	1	0	.750	106	75
Denver	2	2	0	.500	67	58
Kansas City	2	2	0	.500	63	52
L.A. Raiders	2	2	0	.500	70	86
Seattle	2	2	0	.500	85	82

NATIONAL CONFERENCE

East	W	L	T	Pct.	PF	PA
N.Y. Giants	3	1	0	.750	83	64
Washington	3	1	0	.750	84	76
St. Louis	2	3	0	.400	99	89
Philadelphia	1	3	0	.250	100	111
Dallas	0	5	0	.000	67	119
Central						
Chicago	4	1	0	.800	126	71
Minnesota	3	1	0	.740	99	90
Detroit	2	2	0	.500	82	84
Green Bay	1	3	0	.250	73	86
Tampa Bay	0	4	0	.000	43	88
West						
Atlanta	2	2	0	.500	93	97
L.A. Rams	2	2	0	.500	75	70
New Orleans	2	2	0	.500	70	79
San Francisco	2	2	0	.500	79	55

FRIDAY'S RESULTS

Miami 21, Tampa Bay 3
Washington 29, Atlanta 21
Detroit 30, Cincinnati 20
Denver 19, L.A. Rams 10
San Francisco 21, Seattle 10
San Diego 24, St. Louis 17

SATURDAY'S RESULTS

Chicago 31, Buffalo 17
N.Y. Giants 17, Pittsburgh 3
New England 16, Green Bay 9
New Orleans 13, Kansas City 10
Minnesota 23, Indianapolis 20, OT
Houston 17, Dallas 14

Transition

BASEBALL

American League

BALTIMORE—Assigned Tony Arnold and John Habyan, pitchers, to Rochester of the International League. Called up John Habyan, pitcher, and Mike Young, outfielder, from Rochester.

OAKLAND—Placed Rusty Tillman, outfielder, on the 15-day disabled list. Activated Lenn Sakata, infielder.

National League

LOS ANGELES—Outrighted Ed Amelung and Stu Pederson, outfielders, to Albuquerque of the Pacific Coast League.

NEW YORK—Purchased Kevin Elster, infielder, from Jackson of the Texas League. Optioned Rick Anderson, pitcher, to Tidewater of the International League.

BASKETBALL

National Basketball Association

UTAH—Signed Carey Scurry, guard-forward, to a multiyear contract.

FOOTBALL

National Football League

BUFFALO—Waived Sam Bowers, tight end, and Herb Spencer, linebacker. Placed Lucius Sanford, linebacker, on injured reserve.

CINCINNATI—Signed Joe Kelly, linebacker, to a four-year contract.

DETROIT—Waived John Witkowski, quarterback. Activated Chuck Long, quarterback. Placed George Jamison, linebacker; Tim Kearse, wide receiver, and Allen Hughes, defensive lineman, on injured reserve. Signed William Graham, safety.

INDIANAPOLIS—Reactivated Mark Kirchner, offensive tackle, from the retired list. Placed Bob Bretzid, offensive tackle, on injured reserve.

KANSAS CITY—Announced the retirement of Bob Rush, center.

N.Y. GIANTS—Waived Von Williams, running back.

N.Y. JETS—Signed Jerry Holmes, cornerback, to a three-year contract. Waived Brian Luft, defensive end; Kirk Springs, safety; Rogers Alexander, linebacker; Nuu Faaola, running back; Sal Cesario, offensive tackle, and Carl Howard, cornerback.

PHILADELPHIA—Louis Oubre, offensive tackle. Activated Joe Conwell, offensive tackle.

SEATTLE—Signed John Harris, safety.

TAMPA BAY—Waived Barry Pettyjohn, center; Reggie Brown, running back; Pete Catan, defensive end, and Ray Bentley, linebacker.

HOCKEY

National Hockey League

HARTFORD—Signed Ray Ferraro and Gary Callaghan, centers, and Kay Whitmore, goalie, to multiyear contracts. Signed Mark Vichorek, defenseman, to a one-year contract.

N.Y. RANGERS—Signed Tom Laidlaw, defenseman. Named Barry Watkins and Matthew Loughran public relations assistants.

PHILADELPHIA—Signed Pelle Eklund, center, and Glen Seabrooke, left wing.

ST. LOUIS—Signed Doug Wickenheiser and Dave Barr, centers, and Ric Nattress, defenseman, to multi year contracts.

European Soccer

ENGLISH FIRST DIVISION

Coventry 1, Everton 1
Liverpool 2, Arsenal 1
Luton 0, Newcastle 0
Manchester United 0, Charlton 1
Norwich 4, Southampton 3
Nottingham Forest 1, Watford 1
Oxford 0, West Ham 0
Queens Park Rangers 1, Aston Villa 0
Sheffield Wednesday 2, Chelsea 0
Tottenham 1, Manchester City 0
Wimbledon 1, Leicester 0

Points standings: Tottenham, Liverpool, West Ham 7; Wimbledon, Queens Park Rangers 6; Everton, Sheffield Wednesday, Luton 5; Watford, Nottingham Forest, Norwich, Manchester City, Coventry, Charlton 4; Southampton, Arsenal 3; Chelsea, Newcastle, Oxford 2; Leicester 1; Manchester United, Aston Villa 0.

FRENCH FIRST DIVISION

Monaco 0, St. Etienne 0
Toulouse 5, Brest 0
Laval 1, Metz 1
Bordeaux 4, Rennes 1
Sochaux 3, Nantes 1
Le Havre 3, Nice 0
Nancy 2, Toulon 0
Paris SG 1, Lille 1
Lens 0, RC Paris 1
Marseille 1, Auxerre 1

Point standings: Marseille, Nantes 11; Bordeaux, Paris-SG 10; Toulouse, Sochaux 9; Metz 8; Lille, Lens, Brest 7; Nancy, St. Etienne 6; Le Havre, Auxerre, Monaco, Laval, Nice, Rennes 5; RC Paris 4; Toulon 3.

SPANISH FIRST DIVISION

Gijon 2, Athletic Bilbao 0
Barcelona 2, Santander 0
Las Palmas 2, Valladolid 0

Tennis

U.S. Open Results

MEN'S SINGLES

Second Round

Anders Jarryd (13), Sweden, def. Luke Jensen, U.S., 6-0, 6-3, 6-1; Gary Donnelly, U.S., Eliot Teltscher, U.S., 6-3, 6-2, 6-0; Sergio Casal, Spain, def. Danie Visser, South Africa, 6-2, 6-1, 6-3; Ramesh Krishnan, India, def. Leonardo Lavalle, Mexico, 6-2, 6-4, 6-3; Todd Witsken, U.S., def. Eduardo Bengoechea, Argentina, 7-6 (14-12), 6-1, 6-1; Stefan Edberg (4), Sweden, def. Kevin Curren, U.S., 7-6 (9-7), 3-6, 4-6, 6-3, 6-2; Miloslav Mecir (16), Yugoslavia, def. Guy Forget, France, 7-5, 6-4, 6-1; Tom Gullikson, U.S., def. Andres Gomez (10), Ecuador, 3-6, 6-7 (0-7), 7-6 (7-2), 6-3, 6-4.

Joakim Nystrom (7), Sweden, def. Pavel Slozil, Czechoslovakia, 6-2, 6-1, 6-0; Matt Anger, U.S., def. Wally Masur, Australia, 7-6 (7-4), 6-3, 7-5; Jimmy Connors (6), U.S., def. Claudio Pistolesi, Italy, 7-6 (7-3), 6-4, 7-5; Mats Wilander (2), Sweden, def. Thierry Champion, France, 6-1, 7-5, 6-4; Christo Van Rensburg, South Africa, def. Jay Berger, U.S., 6-2, 6-1, 6-0; Eddie Edwards, South Africa, def. Ricardo Acuna, Chile, 3-6, 6-1, 6-4, 3-6, 6-3; Milan Srejber, Yugoslavia, def. Broderick Dyke, Australia, 2-6, 6-3, 6-4, 6-4; Jaime Yzaga, Peru, def. David Pate, U.S., 6-4, 3-6, 5-7, 6-2, 6-3; Eric Jelen, West Germany, def. Marty Davis, U.S., 3-6, 1-6, 7-5, 6-2, 6-3; Boris Becker (3), West Germany, def. Cassio Motta, Brazil, 6-3, 6-0, 6-2.

Third Round

Aaron Krickstein, U.S., def. Mel Purcell, U.S., 6-3, 6-2, 6-1; Ivan Lendl (1), Czechoslovakia, def. Jonas Svensson, Sweden, 6-3, 6-3, 6-4; Henri Leconte (8), France, def. Amos Mansdorf, Israel, 4-6, 6-3, 7-5, 6-2; Dan Goldie, U.S., def. Barry Moir, South Africa, 6-0, 4-6, 6-7 (8-10), 6-1, 6-2; Stefan Edberg (4), Sweden, def. Ramesh Krishnan, India, 7-6 (7-5), 3-6, 6-4, 4-6, 6-4; Andrei Chesnokov, Soviet Union, def. Marcel Freeman, U.S., 1-6, 6-3, 4-6, 6-1, 6-3; Tim Wilkison, U.S., def. Yannick Noah (5), France, 7-6 (12-10), 3-6, 4-6, 6-1, 6-4; Brad Gilbert (15), U.S., def. Johan Kriek, U.S., 6-2, 7-5, 6-2.

WOMEN'S SINGLES

Second Round

Claudia Kohde-Kilsch (6), West Germany, def. Catherine Tanvier, France, 6-1, 6-0; Helena Sukova (7), Czechoslovakia, def. Sara Gomer, Britain, 7-5, 7-5; Caterina Lindqvist (14), Sweden, def. Amanda Dingwall, Australia, 6-2, 6-2; Melissa Gurney, U.S., def. Rosalyn Fairbank, South Africa, 3-6, 6-3, 7-6 (7-3); Zina Garrison (12), U.S., def. Eva Pfaff, West Germany, 6-7 (5-7), 6-1, 6-4; Wendy Turnbull, Australia, def. Alycia Moulton, U.S., 6-2, 6-0; Tine Scheuer-Larsen, Denmark, def. Tina Mochizuki, U.S., 6-1, 6-3.

Mary Joe Fernandez, U.S., def. Sylvia Hanika, West Germany, 6-2, 6-2; Elna Reinach, South Africa, def. Carina Karlsson, Sweden, 6-3, 6-1; Lisa Bonder, U.S., def. Beth Herr, U.S., 6-3, 6-3; Camille Benjamin, U.S., def. Elly Hakami, U.S., 6-4, 6-4; Manuela Maleeva (9), Bulgaria, def. Laura Gildemeister, Peru, 6-3, 6-1; Hana Mandlikova (4), Czechoslovakia, def. Iva Budarova, Czechoslovakia, 6-2, 6-3; Robin White, U.S., def. Nicole Arendt, France, 7-5, 4-6, 6-1; Gabriela Sabatini (11), Argentina, def. Pam Casale, U.S., 6-0, 6-3; Chris Evert Lloyd (2), U.S., def. Regina Marsikova, Czechoslovakia, 6-0, 6-0; Jo Durie, Britain, def. Hu Na, U.S., 6-1, 1-6, 6-4.

Third Round

Steffi Graf (3), West Germany, def. Beverly Bowes, U.S., 6-1, 1-0, ret; Kathy Jordan (15), U.S., def. Elizabeth Minter, Australia, 6-1, 6-3; Stephanie Rehe (13), U.S., def. Annabel Croft, Britain, 6-2, 6-3; Raffaella Reggi, Italy, def. Michelle Torres, U.S., 6-2, 6-2; Martina Navratilova (1), U.S., def. Kathy Horvath, U.S., 6-4, 6-2; Gabriela Sabatini (11), Argentina, def. Katerina Maleeva, Bulgaria, 7-5, 6-2; Bonnie Gadusek (8), U.S., def. Helen Kelesi, Canada, 6-7 (4-7), 6-2, 6-2; Pam Shriver (5), U.S., def. Elise Burgin, U.S., 6-4, 5-7, 6-2.

Baseball

Friday's and Saturday's Major League Line Scores

FRIDAY'S RESULTS

AMERICAN LEAGUE

First Game

Baltimore	000 002 001—3	10 3
Oakland	001 101 01x—4	10 0

S.Davis, Havens (8) and Stefero; Plunk, Howell (7) and Willard. W—Plunk, 4-7. L—S.Davis, 9-12. Sv—Howell (13). HRs—Baltimore, Traber (11). Oakland, M.Davis 2 (17).

Second Game

Baltimore	000 000 000—0	6 1
Oakland	201 010 00x—4	7 1

Habyan, Havens (5) and Stefero; Stewart and Willard. W—Stewart, 8-1. L—Habyan, 0-1.

Cleveland	002 300 101—7	16 0
Boston	101 000 010—3	6 1

Candiotti and Bando; Seaver, Stewart (5), Sambito (8), Stanley (9) and Gedman. W—Candiotti, 13-9. L—Seaver, 7-11. HRs—Cleveland, Carter 3 (24), Snyder (17). Boston, Rice (13), Baylor (26).

Minnesota	010 003 001—5	10 1
Toronto	000 010 212—6	12 0

Smithson, Fontenot (7), Frazier (7), Atherton (9) and Salas; Stieb, Eichhorn (8) and Whitt. W—Eichhorn, 12-4. L—Atherton, 5-10. HRs—Toronto, Lee (1), C.Johnson (14).

Texas	000 040 010—5	6 0
Chicago	000 020 000—2	4 2

Hough, Williams (8) and Petralli; Cowley, Schmidt (5), Searage (9) and Karcovice. W—Hough, 12-8. L—Cowley, 8-9. Sv—Williams (7). HR—Texas, Harrah (7).

Milwaukee	011 000 100—3	7 0
Kansas City	000 010 000—1	6 0

Higuera and Moore; Leonard, Black (9) and Quirk. W—Higuera, 17-8. L—Leonard, 6-11. HR—Kansas City, Motley (7).

Detroit	302 030 310—12	14 2
California	100 002 280—13	17 1

Tanana, O'Neal (7), Hernandez (9) and Heath; McCaskill, Finley (4), Ruhle (7), Corbett (8) and Boone, Narron (8). W—Corbett, 3-2. L—Hernandez, 7-6. HRs—Detroit, Grubb (12), Evans (24), Lemon (7), Trammell (15). California, Downing (14), Schofield (12).

New York	320 060 101—13	19 0
Seattle	000 400 800—12	16 2

Guidry, Fisher (2), Shirley (3), Stoddard (5), Righetti (9) and Skinner, Espino (5); Langston, Huismann (5), Best (6) and Kearney. W—Stoddard, 3-0. L—Best, 2-3. Sv—Righetti (32). HRs—New York, Mattingly (24), R.Henderson 2 (24), Pasqua (13). Seattle, Kearney 2 (6).

NATIONAL LEAGUE

San Francisco	000 022 000—4	9 1
Philadelphia	302 001 00x—6	11 2

Krukow, Robinson (3), Williams (5), Berenguer (6), Davis (7) and Brenly; Maddux, Hume (6), Tekulve (7), Bedrosian (8) and Russell. W—Maddux, 2-5. L—Krukow, 13-8. Sv—Bedrosian (20).

Los Angeles	000 000 001—1	5 2
New York	100 000 10x—2	7 1

Honeycutt, Powell (7), Holton (8) and Scioscia; Ojeda and Hearn. W—Ojeda, 15-4. L—Honeycutt, 9-9.

Chicago	000 250 000—7	12 0
Atlanta	101 000 100—3	9 0

Sanderson, Gumpert (8) and Davis; Z.Smith, Speck (5), Dedmon (8) and Virgil. W—Sanderson, 7-10. L—Z.Smith, 7-13. HRs—Chicago, Dernier (3). Atlanta, Horner (19).

Cincinnati	000 101 000—2	6 0
St. Louis	000 000 000—0	3 2

Gullickson and Diaz; Cox and LaValliere. W—Gullickson, 12-8. L—Cox, 8-11. HR—Cincinnati, Bell (18).

Pittsburgh	000 000 200—2	7 2
Houston	100 002 00x—3	9 2

Reuschel, Clements (7), Jones (8), McWilliams (8) and Pena; Scott, Smith (8) and Ashby. W—Scott, 14-9. L—Reuschel, 8-15. Sv—Smith (27).

SATURDAY'S RESULTS

AMERICAN LEAGUE

Cleveland	000 020 100—3	4 0
Boston	040 030 00x—7	8 0

Niekro, Oelkers (8) and Bando; Clemens, Schiraldi (8) and Gedman. W—Clemens, 20-4. L—Niekro, 10-10. HRs—Cleveland, Castillo (6). Boston, Armas (11).

Minnesota	000 010 000—1	6 0
Toronto	030 000 14x—8	14 1

Viola, Jackson (5) and Reed, Salas (5); Johnson, Caudill (6), Lamp (7) and Martinez. W—Johnson, 4-1. L—Viola, 13-10. Sv—Lamp (2).

Baltimore	002 120 000—5	6 0
Oakland	000 040 000—4	5 0

Dixon, Jones (5) and Stefero, Dempsey (8); Rijo, Von Ohlen (8), Bair (8) and Tettleton. W—Jones, 2-1. L—Rijo, 6-10. HR—Baltimore, Young (4).

Texas	212 000 100—6	13 0
Chicago	000 200 000—2	8 0

Witt, Mohorcic (6), Harris (8) and Slaught; DeLeon, Nelson (3), Searage (7) and Karkovice. W—Witt, 7-9. L—DeLeon, 3-4. HRs—Texas, O'Brien (20), Porter (7), Sierra (9).

First Game

New York	000 000 000—0	2 1
Seattle	000 000 01x—1	8 1

John and Skinner; Swift, Young (9) and Kearney. W—Swift, 2-5. L—John, 5-3. Sv—Young (13).

Second Game

New York	000 100 101—3	3 0
Seattle	000 000 000—0	7 1

Niekro, Scurry (6), Righetti (9) and Espino; Brown, Ladd (8) and S.Bradley. W—Niekro, 9-9. L—Brown, 4-6. Sv—Righetti (33). HR—New York, Mattingly (25).

Milwaukee	000 000 001—1	7 2
Kansas City	240 300 20x—11	14 0

Birkbeck, Clutterbuck (2), Plesac (7), Clear (8) and Cerone; Gubicza and Sundberg. W—Gubicza, 8-6. L—Birkbeck, 0-1. HR—Kansas City, Quirk (3).

Detroit	010 011 010—4	9 2
California	002 010 002—5	4 0

Petry, Campbell (8) and Lowry, Heath (7); Chadwick, Lucas (7) and Boone. W—Lucas, 2-0. L—Campbell, 2-5. HRs—Detroit, Coles (16), Evans 2 (26). California, DeCinces (21).

NATIONAL LEAGUE

Los Angeles	101 000 010—3	7 1
New York	002 310 00x—6	8 1

Hershiser, VandeBerg (4), Powell (5), Beckwith (7) and Scioscia; Aguilera, McDowell (9) and Hearn. W—Aguilera, 7-6. L—Hershiser, 12-10. Sv—McDowell (18).

Chicago	000 000 300—3	8 0
Atlanta	000 020 20x—4	10 0

Sutcliffe, DiPino (7), Gumpert (7) and J.Davis; Alexander, Garber (8) and Virgil. W—Alexander, 4-5. L—Sutcliffe, 4-12. Sv—Garber (21). HR—Chicago, Moreland (8).

First Game

San Diego	000 000 001—1	7 0
Montreal	025 000 30x—10	14 1

Hoyt, Walter (3), Jones (7) and Kennedy, Bochy (7); Smith and Bilardello. W—Smith, 9-8. L—Hoyt, 7-9. HR—San Diego, McReynolds (19).

Second Game

San Diego	020 002 001—5	7 1
Montreal	300 010 000—4	11 0

Hawkins, Lefferts (7), McCullers (8) and Kennedy; Sebra, McClure (7) and Bilardello. W—McCullers, 7-6. L—McClure, 0-3. HR—San Diego, Garvey (20).

San Francisco	100 000 002—3	6 1
Philadelphia	000 202 01x—5	6 0

LaCoss, Minton (8) and Brenly; Carman, Bedrosian (9) and Russell. W—Carman, 7-5. L—LaCoss, 9-10. Sv—Bedrosian (21). HRs—Philadelphia, Schmidt (28), Hayes (11).

Cincinnati	100 000 010—2	3 0
St. Louis	200 000 30x—5	7 0

Welsh, Murphy (7) and Diaz; Conroy, Worrell (9) and LaValliere. W—Conroy, 4-8. L—Welsh, 5-5. Sv—Worrell (29).

Pittsburgh	120 042 310—13	18 0
Houston	001 010 010—3	9 2

Rhoden and Ortiz; Deshaies, Andersen (5), Calhoun (6), Lopez (7) and Ashby, Mizerock (7). W—Rhoden, 15-7. L—Deshaies, 9-4. HRs—Pittsburgh, Bonds (14). Houston, Davis (26).

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Boston	75	54	.581	—
Toronto	72	58	.554	3½
New York	70	60	.538	5½
Detroit	68	63	.519	8
Baltimore	65	64	.504	10
Cleveland	65	65	.500	10½
Milwaukee	64	64	.500	10½
West Division				
California	73	56	.566	—
Texas	69	61	.531	4½
Oakland	60	71	.458	14
Kansas City	59	70	.457	14
Seattle	57	74	.435	17
Chicago	55	73	.430	17½
Minnesota	55	74	.426	18

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
New York	87	42	.674	—
Philadelphia	67	62	.519	20
St. Louis	64	65	.496	23
Montreal	62	64	.492	23½
Chicago	55	74	.426	32
Pittsburgh	52	76	.406	34½
West Division				
Houston	73	56	.566	—
Cincinnati	66	63	.512	7
San Francisco	65	64	.504	8
Los Angeles	61	68	.473	12
Atlanta	60	68	.469	12½
San Diego	60	70	.462	13½

The 'Critters' and 'Creatures' Of Leonard Bernstein at 68

By John Rockwell
New York Times Service

IN a wash of weepy emotion, Leonard Bernstein stepped down as music director of the New York Philharmonic in 1969, assuming the title "laureate conductor." Laureates sometimes carry with them an air of doddering grandeur. But at the age of 50, Bernstein was still full of fire, mostly fueled by ambitions to fulfill his interrupted promise as a composer.

Instead, the 1970s turned into Leonard Bernstein's personal diaspora. Early on in his retirement, he was publicly mocked for his supposedly "radical chic" socializing at his home with the Black Panthers. His compositions came haltingly and were generally derided. He seemed caught up in a manic round of guest-conducting, mostly in Europe. His personal life was marked by the death in 1978 of his wife, the Chilean actress Felicia Montealegre. They had separated just before she was diagnosed as having cancer, and though they reconciled, Bernstein wondered aloud whether their troubles had somehow precipitated her illness. After her death there was a period of depression, then giddy flamboyance.

But any dismissal of Bernstein was premature. He seems now, at long last, the magisterial presence his grandiose Philharmonic title implied 17 years ago. His conducting has attained a new level of recognition — many critics, this one included, would be hard pressed to think of another conductor they would rather hear in the mainstream orchestral repertory.

While his composing must still be judged as uneven, his old pieces sound better than ever: The New York City Opera's production and recording of "Candide" met with high praise, and his recent album of "West Side Story" topped the U. S. classical records sales charts. His work as a whole can now, in the climate of the "New Romantic" movement, be appreciated from a more sympathetic perspective. He is showing signs of achieving, at 68, a new balance in his personal life, as well — despite inevitable, sometimes embarrassing, sometimes wonderful lapses into emotionality.

It is that quite remarkable personality, for better and for worse, that defines every aspect of his *near-manic existence. There are* those who still find him inherently annoying. But the one thing he cannot be accused of is insincerity. If anything, Bernstein has a surfeit of sincerity — he feels so extravagantly, and so wants us to feel with equal intensity, that he goes overboard. He takes risks and achieves goals most others can't even imagine.

But despite his campy excesses, Bernstein remains very much the family man; the bonds between father and children — Nina, 24, and Alexander, 31, both actors, and Jamie, a 33-year-old rock composer and performer — are deep. When Nina arrived in her father's crowded dressing room after a concert at the Tanglewood festival in Massachusetts this summer, Bernstein looked up at her affectionately and said, "Hello, critter." "Hello, creature," she answered.

For a true insight into Bernstein's public side, the Tanglewood music festival provides an ideal setting. It was at Tanglewood, in 1940, that Bernstein, fresh from Harvard, found one of his key mentors, the Boston Symphony conductor Serge Koussevitzky. In recent years he has gone there every summer to conduct and to teach.

When Bernstein first came to the Philharmonic, observers regularly complained about his exaggerations and superficiality, his application of a Broadway sensibility to the classics. Some of that may have been mere snobbery. But Bernstein himself concedes he used to "over-conduct," punching home seductive details at the expense of an overall conception. These days the details remain just as transparent, with more sensuous niceties than ever, but now they are nearly always subordinated to a vision of the entire piece.

Bernstein attributes some of his recent success to the orchestras with which he works — the New York Philharmonic, the Boston Symphony, the Israel Philharmonic, the Bavarian radio symphony in Munich and the Vienna Philharmonic. The linkage of this last ensemble to its "local" repertory of Haydn, Mozart, Beethoven, *Schubert, Brahms and* Bruckner has lent a new weight to his realizations of the core repertory: The Viennese players steady him, he enlivens them. But part of it, too, is his own maturation. "You either get better or you die," he says. "To stick in a groove is an illness."

Most of history's great conductors have been composers, bringing a special insight from their own time to their interpretations of music from other times. This tradition has deteriorated in recent decades as avant-garde composers have either given up the orchestra altogether or have composed in idioms too abstruse for audiences to understand and too complex for orchestras to play. Bernstein comes from a tonal American symphonic tradition, one to which most audiences can still relate, and conducts the classics with a present-day rhythmic alacrity and a sense of color and drama that most other conductors, aping one past conducting style or another, grievously lack.

But if his composing freshens his conducting, Bernstein is not so sure the reverse is true. During his 11-year Philharmonic tenure, he was able to complete only two major works — the "Kaddish Symphony" of 1963 and the "Chichester Psalms" of 1965. In the 1970s he began with "Mass," his closest approach to rock and a work dismissed by many critics. He then took time to prepare the Charles Eliot Norton Lectures at Harvard for *1973* — a sometimes too breezily argued yet impassioned defense of tonality and eclecticism. After that came "The Dybbuk" in 1974, an ambitious but problematic ballet with Jerome Robbins, and "1600 Pennsylvania Avenue," a disastrous U. S. Bicentennial musical about the White House. In 1977 there was the rather more successful "Songfest," a compendium of poems and musical styles designed to honor the outsiders of American culture. Throughout this period there was also a host of abandoned projects and occasional pieces and, *finally*, the opera "A Quiet Place" in 1983. This attempt at a sequel to his brief domestic drama of 1952, "Trouble in Tahiti," was widely attacked as maudlin and melodramatic.

Bernstein clearly feels a deep sense of disappointment as a composer. When Stephen Wadsworth, his "Quiet Place" librettist, said he didn't have time to undertake the libretto for their next operatic project, a five-language vision of the Holocaust, Bernstein was devastated. One problem is an increasingly rigorous sense of self-criticism. "I've always thrown stuff away," he says, "but I throw a lot more now. I've thrown it away for the same reason — it's dishonest, it's not me, it's there for some specious reason that I may not even know myself."

Another difficulty is freeing himself of his involvement with the music of others. The first part of any composing period, he complains, is spent purging the composers he has been conducting, and the last part in re-entering other composers' psyches as he studies their scores for forthcoming performances.

Bernstein: "You either get better or you die. To stick in a groove is an illness."

There are those who feel he has never escaped those other voices — that his music is at its core derivative. Back in 1949 his old mentor and friend Aaron Copland, *of all people,* wrote that "at its worst, Bernstein's music is conductors' music — eclectic in style and facile in inspiration."

Set against such doubts — his own and others' — are his music's palpable virtues. He has a moving melodic gift. Tunes such as "Somewhere" from "West Side Story" or the main theme from "Trouble in Tahiti" rank him very high indeed. His vernacularly inspired rhythmic dash and syncopated swagger, and the theatrical directness and accessibility of even his most ostensibly "serious" scores, make him a composer of undeniable gifts and popular appeal.

He brings an irresistible flavor of popular music and jazz to his symphonic scores, and that still gets him into trouble with conservative critics who might otherwise applaud his harmonic traditionalism. In less than two years — on Aug. 25, 1988 — Bernstein will be 70 years old, the biblical life span beyond which all time is borrowed from God. "My father was 70 in 1962, and there was a huge party for him in Boston," he recalls. "The whole family was there, the mayor and other politicians — it was the high point of his life. But already he was worried. After that he declined steadily, and finally died in 1969." The implication is clear: Bernstein feels driven to accomplish whatever he hopes to accomplish, soon.

But all that might seem too downbeat for a man who still has the seductive charm and youthful vitality of an ageless boy wonder. After a couple of weeks with him, watching him in action and thinking about his life, one finds oneself wishing that he can knit it all together, that he can achieve his lifelong goal of combining the classical and popular, traditional and daring, creative and re-creative, intellectual and emotional, social and solitary. He has given us a lot; here's hoping there will be more for years to come.

LANGUAGE

Watch the Spin Doctors

By William Safire
New York Times Service

WASHINGTON — "It was an event," wrote Paul Taylor in The Washington Post about the Michigan Republican primary, first of the 1988 campaign, "that attracted a phalanx of high-priced political operatives, 'spin doctors,' exit pollsters and reporters who all set out to tease meaning from an election designed to yield none."

Spin doctor is a locution we must keep our eyes on for 1988. It is based on the slang meaning of the verb *to spin*, which in the 1950s meant "to deceive," perhaps influenced by "to spin a yarn." More recently, as a noun, *spin* has come to mean "twist," or "interpretation"; when a pitcher *puts a spin* on a baseball, he causes it to curve, and when we *put our own spin* on a story, we angle it to suit our predilections or interests.

The phrase *spin doctor* was coined on the analogy of *play doctor*, one who fixes up a limping second act, and it gains from the larcenous connotation of the verb *doctor*, to fix a product the way a crooked bookkeeper "cooks" books.

Its earliest citation in my computer files is from an editorial in The New York Times on Oct. 21, 1984, about the Reagan-Mondale televised debates. "Tonight at about 9:30," wrote the editorialist, "seconds after the Reagan-Mondale debate ends, a bazaar will suddenly materialize in the press room. . . . A dozen men in good suits and women in silk dresses will circulate smoothly among the reporters, spouting confident opinions. They won't be just press agents trying to impart a favorable spin to a routine release. They'll be the Spin Doctors, senior advisers to the candidates."

Four days later, Elisabeth Bumiller of The Washington Post picked up the phrase, defining *spin doctors* — no longer capitalized — as "the advisers who talk to reporters and try to put their own spin, or analysis, on the story." The term was thus sealed into the new political vocabulary, and will be trotted out by pundits in the coming campaign to prove that their opinions cannot be influenced.

"IF the word *emasculate* means 'to deprive of virility and vigor,'" writes Nathan Mitchell of New York City, "would you know the corresponding word for the removal of feminine attributes?"

The question is worth examining because it seeks a co-respondent, to use divorce-court lingo, for the extended meaning of the word. The *mas* in emasculate is the first syllable of *masculine*, and the original meaning of emasculate was "to remove the capability of reproduction." The extended meaning is as Mitchell states: to strip of manly or virile attributes, as in taking the punchiness or savagery out of prose.

The word we're looking for is not directed to the removal of a woman's capacity to reproduce; it is the metaphoric counterpart we're after. Nor is *sterilize* suitable, because that is not limited to women, and *barren* has no current verb. We seek a term for the extended meaning, for the removal of qualities associated with women. Those "feminine" qualities — I'm getting in trouble, I know — include sensitivity, softness, beauty and the range of activities that now come under the heading of *nurturing*.

In short, what is needed is a synonym for *defeminize*, a word coined in 1900 that doesn't cut the mustard; *-ize* is too common a method of manufacturing verbs.

So let's build one now. We naturally turn to *fem* to match the *mas*. We can also begin with *e-*, as *emasculate* does, because that is a shorter form of the prefix *ex-*, which means "out of." And *-ate* is a good verbifier, if we're trying for parallelism.

That gives us the verb *efeminate*. But hold on: the Romans beat us to it, with the Latin *effeminare*, carrying the opposite meaning: "to make womanish." Although that verb is rarely used in English, we already have the adjective *effeminate*, meaning "weak and decadent" to some, plain "girlish" to others.

What to do? First, forget the verb *to efeminate* as the logical opposite of *to emasculate* because another word is already there, and it is not the object of coinage to confuse. Erase that entire blackboard and reformulate. Lexicographic Irregulars are invited to try their hands, but here's my candidate: *toughen*.

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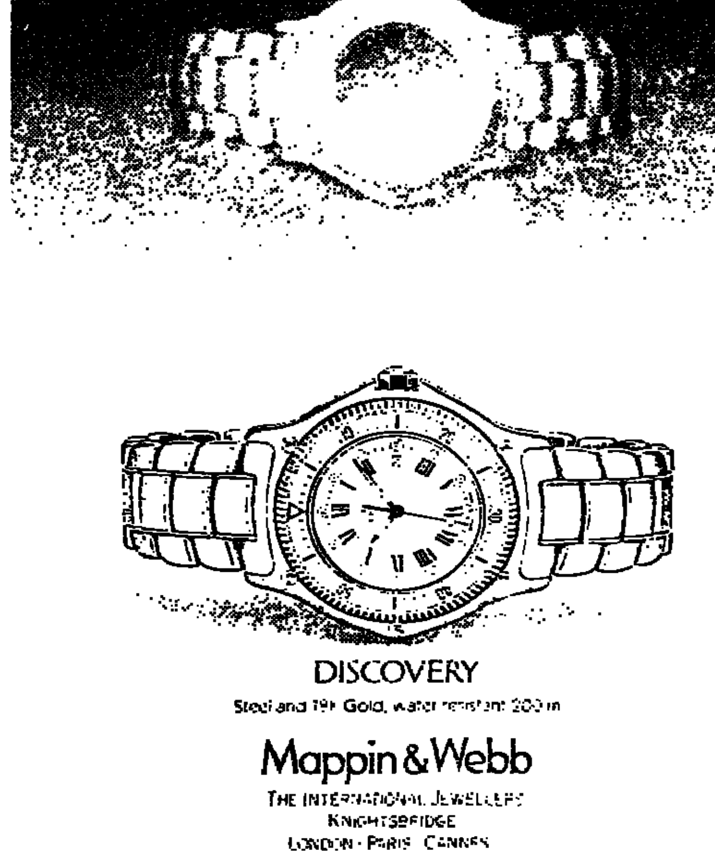

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.

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